

Agenda

Item #3



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commission Members
From: Jonathan Wayne, Executive Director
Date: March 19, 2009
Re: Late Filing Penalties against Scarborough Village Partnership PAC

Update on Status of this Enforcement Proceeding

This matter concerns the late registration and two late-filed campaign finance reports by the Scarborough Village Partnership political action committee (PAC), which was formed in favor of a November 4, 2008 municipal ballot question in Scarborough to allow slot machines at the harness racing track. It was previously scheduled for your consideration at your January 29, 2009 meeting.

On the morning of the Commission meeting, the Commission received two e-mail submissions from Dennis Bailey of Casinos NO!, which is a PAC that has opposed ballot questions permitting casino gambling in Maine. Mr. Bailey's e-mail accused the Scarborough Village Partnership of concealing the involvement of Penn National Gaming in the PAC's campaign. In support of that contention, he attached e-mail correspondence between him and attorney Edward S. MacColl, who had drafted the language for the referendum. At the January 29 meeting, the Commission decided to postpone this matter so that it could hear comments from Mr. Bailey and Mr. MacColl at the March 26 meeting. On February 11, 2009, I mailed letters to them requesting that they attend the meeting and inviting them to submit further information in writing.

Initiation of this Matter

Scarborough Village Partnership LLC was formed to develop a new facility for the Scarborough Downs harness racing track that would include gaming machines. It registered a PAC with the Town Clerk of Scarborough on September 26, 2008 and filed its first campaign finance report on October 24, 2008.

After reviewing the PAC's first campaign finance report, the Commission's staff concluded that the PAC should have registered one month earlier on August 26, 2008 and should have filed campaign finance reports on August 26 and October 10, 2008, in addition to the report filed on October 24. Because of the PAC's failure to register and file reports, the citizens of Scarborough did not receive timely disclosure of financial activity undertaken to influence an important issue in town affairs (allowing slot machines at the Scarborough Downs racetrack). The PAC does not dispute that it filed the registration and campaign finance reports late, but argues, among other things, that it relied on advice from the Scarborough Town Clerk.

The Town of Scarborough and its municipal clerk are not authorized under state law to assess civil penalties for late filing of PAC registrations and campaign finance reports. The Commission staff mailed a letter to the PAC on November 26, 2008 notifying the PAC of preliminary penalty amounts for the late filings. The amounts in the notice were quite high. In response, the PAC has requested waivers of those penalties.

After taking into consideration the information presently available, the staff believes the PAC neglected its obligation to register on time, and we recommend the assessment of a penalty of \$250 for the late registration (the maximum available under current law). With regard to the late-filed campaign finance reports, the staff continues to believe that a substantial or full waiver of the preliminary penalties is appropriate because the PAC did not receive the correct information from the Scarborough Town Clerk about the filing deadlines. We do not mean to excuse any lack of commitment to file on time by the PAC, but we believe PACs are entitled to rely on advice that they receive from election officials.

Legal Requirements for Registration and Reporting by Municipal PACs

Application of State Election Law to Municipal PACs

Under 30-A M.R.S.A. § 2502(2), municipalities with a population of more than 15,000 residents are subject to the state's campaign finance reporting requirements. Organizations which spend money to influence a municipal ballot question and which qualify as political action committees must register and file campaign finance reports with the clerk of the municipality.

Duty to Register as a PAC

Under 21-A M.R.S.A. § 1052(5)(A)(4), the definition of PAC includes “[a]ny organization ... that has as its major purpose initiating [or] promoting ... a ballot question and that spends more than \$1,500 in a calendar year for that purpose, including the collection of signatures for a direct initiative or referendum in this State”¹ Organizations which qualify as a PAC under Subparagraph (A)(4) must register within seven days of spending more than \$1,500 to influence a ballot question. (21-A M.R.S.A. § 1053)²

Duty to File Campaign Finance Reports as a PAC

At the time of registration, a PAC must file an initial campaign finance report disclosing contributions received and expenditures made to date, including expenditures made during the signature-gathering phase of a ballot question. (21-A M.R.S.A. §§ 1053 (last

¹ Organizations with *another* major purpose (*i.e.*, other than influencing an election) may be required to register and to file financial reports as a ballot question committee under 21-A M.R.S.A. § 1056-B.

² It is also a Class E crime for a PAC to operate in the State of Maine unless it is registered. (21-A M.R.S.A. § 1004(4)) The staff does not recommend a referral to the Attorney General's office for criminal prosecution.

sentence) and 1060) This requirement was enacted in 2008. Any PAC that is required to register under 21-A M.R.S.A. § 1053 must also file campaign finance reports according to the filing schedule in 21-A M.R.S.A. § 1059(2).

Violations by Scarborough Village Partnership LLC PAC

The Scarborough Village Partnership LLC PAC registered with the Scarborough Town Clerk on September 26, 2008 as a supporter of Question 1 on the Scarborough election ballot for November 4, 2008. That question would amend zoning ordinances to allow slot machines at commercial racetracks, such as Scarborough Downs. The PAC filed its first campaign finance report with the Town Clerk on October 24, 2008. The Commission staff's review of the timing and amounts of cash contributions, in-kind contributions, and expenditures included in the October 24th report indicated that the PAC registered one month late and did not file two required campaign finance reports due August 26 and October 10, 2008.

Failure to Timely Register on August 26, 2008

On August 19, 2008, the expenditures made by the PAC to initiate Question 1 exceeded the \$1,500 threshold in 21-A M.R.S.A. § 1052(5)(A)(4). The PAC was therefore required to register with the Scarborough Town Clerk within seven days (by August 26, 2008). Instead, the PAC registered one month late on September 26, 2008.

Failure to File Initial Campaign Finance Report on August 26, 2008

The PAC was required to file its first campaign finance report no later than August 26, 2008 at the time of its registration. That report should have disclosed to the citizens of Scarborough that the PAC:

- had received an August 12 cash contribution of \$10,000 from Penn National Gaming, Inc.;
- had received large in-kind contributions of the paid services of Gene Beaudoin and Kathryn Rolston; and
- had made eight expenditures totaling \$7,407.50, including payments to circulate the petition for Question 1.

Failure to File Quarterly Campaign Finance Report Due on October 10, 2008

The PAC was also required to file an October Quarterly campaign finance report by October 10, 2008. This report should have disclosed all contributions received after the initial campaign finance report through September 30, 2008. This included receiving \$40,484 in contributions from Penn National Gaming, Inc.

I have attached the relevant pages of Schedules A, B-1 and C from the PAC's October 24, 2008, campaign finance report showing some of this financial activity from the beginning of the campaign to September 30, 2008.

Preliminary Penalty Amounts

Under 21-A M.R.S.A. § 1062-A(3), the Commission staff calculated preliminary penalty amounts for the three violations, and notified the PAC of the penalties in a letter dated November 26, 2008 (omitted from your materials to avoid duplication). The preliminary penalty amounts are:

- a preliminary penalty of \$250 for failing to timely register by August 26, 2008 (21-A M.R.S.A. § 1062-A(1));
- a preliminary penalty of \$56,050 for failing to file an initial campaign finance report by August 26, 2008 at the time of the PAC's registration. The calculation of this penalty is explained in the penalty matrix attached to the staff's November 26 letter. This preliminary penalty amount is based on \$95,000 in total contributions which the PAC reported receiving through August 26, 2008 (\$10,000 in cash and \$85,000 in in-kind contributions); and
- a preliminary penalty of \$5,667.76 for failing to file the October Quarterly campaign finance report by October 10, 2008. This penalty amount is based on total contributions of \$40,484 during the time period covered by the report.

Effect of Maximum Penalty Amounts in Statute

The Election Law contains maximum penalty amounts which may be assessed for some late PAC reports. Those maximum penalties are listed in 21-A M.R.S.A. § 1062-A(4). The PAC reports listed in § 1062-A(4) are subject to a maximum penalty of \$5,000 or \$10,000. Under that provision, the maximum penalty for the late October quarterly report due October 20, 2008 would be \$5,000, rather than the \$5,677.76 amount based on the formula in statute.

In the view of the Commission staff, it is unclear whether the Legislature intended either the \$5,000 or \$10,000 maximum to apply to a late initial report which is required under § 1053 (rather than under § 1059).

PAC's January 9, 2009 Request for a Waiver and March 16, 2009 Submission

In a letter dated January 9, 2009, the PAC's treasurer, Kathryn Rolston, requested a waiver of the preliminary penalties. She explained that the PAC did not initially understand that the Scarborough Village Partnership LLC was required to form a PAC because they were attempting to obtain the zoning change through an action by the town council, rather than ballot question. She stated that when she registered the PAC on September 26, 2008, she reasonably relied on guidance from the Town Clerk, Yolande (Tody) Justice, that the first campaign finance report was due October 24, 2008. In the January 9 response, Ms. Rolston argued that she tried through various communications to

the public to be open about Penn National's involvement in the project. She also mentioned that her experience with campaign finance reporting is limited.

Ms. Rolston submitted an e-mail on March 16 specifically responding to some of Mr. Bailey's comments in his January 29 and March 4-6 e-mails. She reiterates that the PAC did not hide any aspect of its campaign, that she did her best to educate herself on the filing requirements, and she relied on advice from the Scarborough Town Clerk and the Ethics Commission.

In her March 16 e-mail, she also accuses Casinos NO! of hiding its involvement in expenditures made to oppose the Scarborough referendum. At this time, I intend to schedule those compliance concerns regarding Casinos NO! as a separate agenda item for your March 26th meeting. If Casinos NO! does not have adequate time to respond, however, I may schedule those issues for your May meeting. I have attached Ms. Rolston's March 16 e-mail without attachments because the attachments relate to Casinos NO!

Comments by Town Clerk of Scarborough

I asked Tody Justice to provide any additional information that she believed was relevant. She provided a two-page letter dated January 20, 2009.

Information Provided by Dennis Bailey of Casinos NO

In addition to his January 29, 2009 e-mail, Dennis Bailey submitted additional material through e-mails dated March 4-6, which are attached. In those communications, Mr. Bailey states that "it is our belief that regardless of any errors that were made concerning the filing deadlines, Scarborough Village Partners deliberately adopted a strategy to conceal the role of Penn National Gaming in its campaign for slot machines in Scarborough The bottom line is that voters in Scarborough were largely unaware until the very final weeks of the campaign that the campaign for a 'Scarborough Village' was being entirely funded by a large out-of-state casino corporation." He attached an image of a 10-page brochure sent by Scarborough Village Partners, newspaper ad, and campaign signs.

I should mention that the Commission does not have any role in policing the accuracy of a PAC's communications to voters. Nevertheless, Mr. Bailey's contention is that the overall lack of mention of Penn National Gaming should lead to the conclusion that the late registration and reporting were intentional.

As a further example of Scarborough Village Partners' concealment of Penn National Gaming, Mr. Bailey mentions in the final paragraph of his March 4 e-mail and in a follow-up March 5 e-mail that the PAC failed to timely report a \$30,000 payment by Penn National Gaming to Scarborough resident Dan Warren. A photograph of Mr. Warren and a statement by him in support of the referendum appeared in an October 31, 2008 advertisement in the Scarborough Leader. In an amended report filed on January 15, 2009, the PAC reported that Penn National Gaming had paid for "Dan Warren –

campaign consulting services” with a value of \$30,000. Based on the reported date of transaction (October 14, 2008), it appears that Mr. Bailey is correct that the PAC should have reported the payment in its report due on 11 days before the election on October 24, 2008. As to the reason for the late disclosure of the payment, Mr. Bailey’s suggestion is that the PAC did not want voters to know that Mr. Warren had been paid prior to the publication of his testimonial in the Scarborough Leader. Ms. Rolston did not respond to the allegation that this information was intentionally concealed, and may wish to address this on March 26th.

Information Provided by Attorney Edward S. MacColl

On February 11, 2009, I wrote to Edward S. MacColl to request his attendance at the March 26 meeting. I also asked him to respond to three factual questions that I believed were most relevant so that you would have the information in advance of the March 26th meeting. He replied by letter dated March 6, 2009 (attached).

Staff Recommendations

Late Filing of PAC Registration

Based on the information presently available, the staff recommends assessing a \$250 penalty for violating 21-A M.R.S.A. § 1053 by not registering as a PAC within seven days of spending \$1,500 to influence the election.

The staff is unpersuaded that the PAC believed no registration was due because it anticipated that the zoning change would be achieved through action by the Scarborough Town Council. We find this contention to be implausible. Based on my conversations with town officials, my current understanding is that in August and September 2008, a majority of town council members did **not want to modify by council action** the current prohibition in zoning law against “video gambling, casino gambling and off-track betting” for the Regional Business District B-2 (Zoning Ordinance Section XIX(B)(3)). Rather, a majority of town council members believed that permitting gambling at the racetrack should be decided by Scarborough voters in light of the outcome of the 2003 referendum in Scarborough. The change under consideration by the town council³ on August 20 and September 17, 2008 would not, in itself, have permitted slot machines at Scarborough Downs and would not have pre-empted the need for the November 4, 2008 municipal referendum.

Also, the actions by Scarborough Village Partnership in August and September 2006 evidence a clear intention to proceed with a municipal referendum. On August 19, it paid Olympic Consulting for petition circulators. On September 3, according to Ms. Justice, a

³ My understanding is that a different zoning change was under consideration by the town council on August 20 and September 17, 2008. That change was merely to re-zone the Scarborough Downs property from the Regional Business District B-2 to the Town and Village Centers District. If I am mistaken in my understanding, I hope that Kathryn Rolston or Edward MacColl can correct this at the September 26th meeting.

representative from Scarborough Downs submitted the completed petitions to her for verification. While it may also have been engaged in other negotiations with the Town Council regarding a zoning change, that activity is not a factor in determining whether it qualified as a PAC under the statute.

Late Campaign Finance Reports

The PAC's penalty statute sets forth a formula for determining the amount of a preliminary penalty for a PAC report that is filed late. (21-A M.R.S.A. § 1062-A(3)) The statute also lists mitigating circumstances and reasons for which a PAC may request a waiver of the preliminary penalty. (21-A M.R.S.A. § 1062-A(2)) In this matter, the Commission staff believes the most relevant considerations are the degree of harm suffered by the public, an error by an election official (the Scarborough Town Clerk), and a lack of experience of the PAC treasurer in filing campaign finance reports.

Overall, the Commission staff is troubled by the late filing of the two financial reports by the PAC. Facts such as the late PAC registration (for which no convincing reason has been offered) and the late disclosure of Penn National Gaming's payment of \$30,000 to Dan Warren suggest a lack of commitment in understanding and complying with the campaign finance laws. Although Ms. Rolston states that the PAC was forthcoming about the involvement of Penn National Gaming, that is not evidenced by some of the communications from Scarborough Village Partnership to Scarborough voters.

Nevertheless, in spite of our concerns about the PAC's actions, as explained below there appears to be no question that the PAC was advised by the Scarborough Town Clerk that its first report was due October 24, 2008. For the Commission staff, that is a significant mitigating factor that supports a substantial or full waiver of the preliminary penalties for the two late reports. People engaged in political activities are entitled to rely on advice from election officials about their responsibilities to file financial reports. If a campaign finance filer receives wrong advice from the official about a filing deadline and complies with that advice, in our opinion there is a fairness problem with holding the filer responsible for late filing.

Harm Suffered by the Public

In this case, the late reporting significantly delayed the dissemination of relevant information to Scarborough voters. With regard to the report due October 10, 2008, at that time the PAC had received approximately \$50,000 in cash contributions and \$41,500 in in-kind contributions from its sole contributor, Penn National Gaming, Inc., and had spent approximately \$28,000. This information presumably would have been relevant to Scarborough voters in the roughly four weeks leading up to the election. Instead, the extent of Penn National Gaming's financial involvement was not disclosed until on October 24, eleven days before the election.

Error by Scarborough Town Clerk

Ms. Rolston states in her January 9, 2009 letter (page 2, fourth paragraph) that on the day she registered the PAC (September 26, 2008), she was advised by Scarborough Clerk Tody Justice that the first campaign finance report was due October 24, 2008.

That statement has been confirmed by Ms. Justice. I spoke with Tody Justice on January 15, 2009 about the advice that she provided to Kathryn Rolston. She verified that her September 26 advice to Kathryn Rolston was that the first report was due October 24. She has confirmed this in her January 20, 2009 letter to the Commission (attached, at page 2, second paragraph). She also confirmed with me that on September 26, she did not provide the reporting form to Ms. Rolston which included the filing deadlines.

Ms. Justice explained that she did not know that PACs are now required to file campaign finance reports at the time the PAC registers and that she did not know that the October 10 report was required. On October 17, 2008, Ms. Justice wrote Kathryn Rolston and stated that the first campaign finance report was due October 24, 2008.

The Commission staff believes the Commission should hold organizations that are politically active to high standards for campaign finance reporting compliance. Penalties do have an important role in underscoring the importance of disclosure requirements and in punishing non-compliance. Nevertheless, when raised by a filer, the Commission should take into consideration the factors and mitigating circumstances set forth in 21-A M.R.S.A. § 1062-A(2). One of the specific mitigating circumstances listed in the statute is “[a]n error by the commission staff.” In this case, this would apply to the staff of the municipal clerk’s office. The staff believes that this reason alone provides sufficient grounds for a substantial waiver of the penalties for the late filing of the reports due on August 26 and October 10. The PAC followed the advice it was given.

Lack of Personal Experience. Under the statute, the Commission may waive a penalty if it finds that the penalty is disproportionate to the level of experience of the person filing the report. Ms. Rolston states that her experience with PACs is limited.

For Your Information – Campaign Finance Training for Municipal Clerks

The Commission staff held a training for municipal clerks on Thursday, March 5, 2009. We invited the clerks and their employees from all 13 municipalities with a population of 15,000 or more, and the town of Standish which has voluntarily agreed to be subject to the state’s campaign finance reporting requirements for ballot questions. As preparation for that training, we prepared written materials for the clerks explaining candidate and PACs reporting requirements, and we e-mailed the written materials to all of the offices. At the March 5 training, employees from five clerk’s offices attended (Brunswick, Lewiston, Portland, Sanford, and Scarborough). The Commission staff received feedback that it would be helpful to have an annual meeting with the town clerks every March. We intend to conduct annual trainings and hope that attendance will be better in future years. Thank you for your consideration of this memorandum.

**COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
PENALTY MATRIX FOR LATE POLITICAL ACTION COMMITTEE REPORT FILINGS**

**BASIS FOR PENALTIES
21-A M.R.S.A. Section 1062-A**

Committee Name: Scarborough Village Partnership LLC **Report Title:** Initial Campaign Finance Report
Due Date: August 26, 2008
Previous Violation(s): 0 **Filed Date:** October 24, 2008

The penalty for late filing of a required report is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days the report is filed late, as follows:

For the first violation, 1%
 For the second violation, 3%
 For the third and each subsequent violation, 5%

A penalty begins to accrue at 11:59 p.m. on the day the report is due.

Penalty Example:		Your Penalty is calculated as follows:	
The treasurer files the candidate's report two (2) days late. The candidate has not had any previous late violations this biennium. The candidate reports a total of \$2,500 in contributions and \$1,500 in expenditures for the filing period. The penalty is			
\$2,500	Greater amount of the total contributions received or expenditures made during the filing period	Contributions / Expenditures:	\$95,000.00
X .01	Percent prescribed for first violation	Percent Prescribed:	1%
\$25.00	One percent of total contributions	Number of days late:	59
X 2	Number of calendar days late	Total penalty accrued:	\$56,050.00
\$50.00	Total Penalty		\$10,000 Max

Any penalty of less than \$10 is waived.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

A required report that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

MAXIMUM PENALTIES

21-A M.R.S.A. Section 1062-A(4)

\$10,000 for 11-Day Pre Election reports, 42-Day Post-Election reports, and 24-Hour reports

\$5,000 for Quarterly reports

**COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
PENALTY MATRIX FOR LATE POLITICAL ACTION COMMITTEE REPORT FILINGS**

**BASIS FOR PENALTIES
21-A M.R.S.A. Section 1062-A**

Committee Name: Scarborough Village Partnership LLC **Report Title:** October Quarterly
Due Date: October 10, 2008
Previous Violation(s): 0 **Filed Date:** October 24, 2008

The penalty for late filing of a required report is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days the report is filed late, as follows:

For the first violation, 1%
 For the second violation, 3%
 For the third and each subsequent violation, 5%

A penalty begins to accrue at 11:59 p.m. on the day the report is due.

Penalty Example:		Your Penalty is calculated as follows:	
The treasurer files the candidate's report two (2) days late. The candidate has not had any previous late violations this biennium. The candidate reports a total of \$2,500 in contributions and \$1,500 in expenditures for the filing period. The penalty is			
\$2,500	Greater amount of the total contributions received or expenditures made during the filing period	Contributions / Expenditures:	\$40,484.00
X .01	Percent prescribed for first violation	Percent Prescribed:	1%
\$25.00	One percent of total contributions	Number of days late:	14
X 2	Number of calendar days late	Total penalty accrued:	\$5,667.76
\$50.00	Total Penalty		

Any penalty of less than \$10 is waived.

Violations accumulate on reports with filing deadlines in a 2-year period that begins on January 1st of each even-numbered year. Waiver of a penalty does not nullify the finding of a violation.

A required report that is sent by certified or registered United States mail and postmarked at least 2 days before the deadline is not subject to penalty.

MAXIMUM PENALTIES

21-A M.R.S.A. Section 1062-A(4)

\$10,000 for 11-Day Pre Election reports, 42-Day Post-Election reports, and 24-Hour reports

\$5,000 for Quarterly reports

2008 ELECTION YEAR

TOWN OF SCARBOROUGH
Office of the Town Clerk
P.O. Box 360
Scarborough, ME 04070-0360
(207) 730-4020

www.scarborough.me.us

vjustice@ci.scarborough.me.us

RECEIVED

2008 SEP 26 P 2:45

REGISTRATION: POLITICAL ACTION COMMITTEES

A political action committee must register with the Town Clerk's Office within 7 days of accepting contributions, incurring obligations or making expenditures in the aggregate in excess of \$1,500 in any single calendar year to initiate, support, defeat or influence in any way a campaign, referendum, initiated petition, candidate, political committee or another political action committee (21-A M.R.S.A. § 1053)

Within 10 days of a change in PAC information an amended registration form must be submitted to the Town Clerk's Office. The committee must file an updated registration every election year between January 1st and March 1st.

Is this an amendment? Yes No

ALL SECTIONS OF THIS FORM MUST BE COMPLETED.

1. COMMITTEE INFORMATION	
Committee name <i>Scarborough Village Partnership</i>	Acronym <i>SVP</i>
Mailing address <i>7 Plaza Drive P.O. Box 367</i>	Phone <i>510-1911</i>
City, state, zip code <i>Scarborough ME 04070-0367</i>	Fax <i>510-1912</i>
E-mail <i>Krolston@yahoo.com</i>	Website <i>pending</i>
2A. TREASURER INFORMATION	
Name <i>Kathryn Rolston</i>	Phone <i>510-1911</i>
Mailing address <i>7 Plaza Drive P.O. Box 367</i>	
City, state, zip code <i>Scarborough ME 04070-0367</i>	E-mail <i>Krolston@yahoo.com</i>
2B. PRINCIPAL OFFICER INFORMATION	
Name <i>Gene Beaudoin</i>	Title <i>Consultant</i>
Mailing address <i>7 Plaza Drive P.O. Box 367</i>	Phone <i>510-1911</i>
City, state, zip code <i>Scarborough ME 04070-0367</i>	
Name	Title
Mailing address	Phone
City, state, zip code	

2C. ALTERNATE E-MAIL ADDRESSES To receive filing reminders and important information from the Commission.	
1. <i>genebeaudoin@comcast.net</i>	2.
2D. PRIMARY FUNDRAISERS AND DECISION MAKERS Identify any candidates, Legislators or other individuals who are the primary fundraisers and decision makers for the committee.	
1. <i>Penn National Gaming</i>	2.
3. <i>Gene Beaudoin</i>	4.
5.	6.
3. COMMITTEE MAILING ADDRESS Filing notices and correspondence will be mailed to this address.	
Street address or PO Box <i>7 Plaza Drive P.O. Box 367</i>	
City, state, zip code <i>Scarborough ME 04070-0367</i>	
4. FORM OF ORGANIZATION Name the form or structure of organization, i.e., cooperative, corporation, voluntary association, partnership, etc.	
Form of organization <i>LLC</i>	Date of origin/incorporation <i>7-28-08</i>
5. STATEMENT OF SUPPORT OR OPPOSITION Indicate whether the committee supports or opposes a candidate, political committee, referendum, initiated petition or campaign. If unknown at the time of registration, the committee must inform the Commission as soon as this information is known.	
SUPPORT	<i>We support Special Municipal Question 1</i>
OPPOSE	<i>None</i>
6. SIGNATURE OF PRINCIPAL PAC OFFICER OR TREASURER.	
Signature <i>K. Rolston</i>	Title <i>Treasurer</i>
Print name <i>Kathryn Rolston</i>	Date <i>9-26-08</i>

Received 10/24/08 3:24 P.M.

TOWN OF SCARBOROUGH

Office of the Town Clerk
P.O. Box 360
Scarborough, ME 04070-0360
207.730.4020
Fax: 207.730.4033

2008 Campaign Finance Report
Political Action Committees

www.scarborough.me.us
www.maine.gov/ethics

COMMITTEE IDENTIFICATION Check if address is different than previously reported.

Name Scarborough Village Partnership LLC
(full name of committee)
Mailing address 7 Plaza Drive P.O. Box 367
(official headquarters of committee)
City, zip code Scarborough ME 04074 Telephone 510-1911

TREASURER IDENTIFICATION Check if treasurer or address is different than previously reported.

Name of treasurer Kathryn Rolston
Mailing address 7 Plaza Drive P.O. Box 367
City, zip code Scarborough ME 04074 Telephone 510-1911
E-mail address Krolstoner@yahoo.com

POLITICAL ACTION COMMITTEE FILING PERIODS (Check applicable period below):

- | Report Type | Due Date | Reporting Period |
|--|--|-------------------------------------|
| <input type="checkbox"/> April Quarterly | April 10, 2008 | January 6, 2008 – March 31, 2008 |
| <input type="checkbox"/> 11-Day Pre-Primary | May 30, 2008 | April 1, 2008 – May 27, 2008 |
| <input type="checkbox"/> 42-Day Post-Primary | July 22, 2008 | May 28, 2008 – July 15, 2008 |
| <input type="checkbox"/> October Quarterly | October 10, 2008 | July 16, 2008 – September 30, 2008 |
| <input checked="" type="checkbox"/> 11-Day Pre-General | October 24, 2008 | October 1, 2008 – October 21, 2008 |
| <input type="checkbox"/> 42-Day Post-General | December 16, 2008 | October 22, 2008 – December 9, 2008 |
| <input type="checkbox"/> January Semiannual | January 15, 2009 | December 10, 2008 – January 5, 2009 |
| <input type="checkbox"/> | Check this box if this report is an amendment to a previously filed report. | |
| <input type="checkbox"/> | <u>No Change Report</u> : If your committee received <u>no</u> contributions and made <u>no</u> expenditures during this period, provide the current cash balance: \$ _____, and sign below. | |

I CERTIFY THAT I HAVE EXAMINED THIS REPORT AND TO THE BEST OF MY KNOWLEDGE, IT IS TRUE, CORRECT AND COMPLETE.

KSR/SL
Treasurer's Signature

10/24/08
Date

SVP

Name of PAC

PURPOSE OF COMMITTEE
(Complete each category that applies for this reporting period.)

Name of candidate(s) supported	Party affiliation	Office sought

Name of candidate(s) opposed	Party affiliation	Office sought

PAC, party committee or other political committee supported	Address of committee

Support/Oppose	Referendum or initiated petition
Support	Scarborough Village - Special Municipal Referendum Question 1

SVP

Name of PAC

SCHEDULE A

CASH CONTRIBUTIONS RECEIVED

List the names and mailing addresses of contributors who have given more than \$50 during this reporting period. For all aggregate contributions of \$50 or less, enter the combined total in line 3. Do not include in-kind contributions or loans on this schedule.

Date received	Contributor's name, mailing address, zip code	Occupation & employer	Amount
8/12/08	Penn National Gaming Inc 825 Berkshire Blvd Suite 200 Wyomissing PA 19670		\$10,000.00
8/29/08	Penn National Gaming Inc		\$5,000.00
9/4/08	Penn National Gaming Inc		\$5,000.00
9/15/08	Penn National Gaming Inc		\$12,984.80
9/17/08	Penn National Gaming Inc	"	17,500.00
10/6/08	Penn National Gaming Inc	"	6053.20
10/16/08	Penn National Gaming Inc		5851.77
1. Total contributions this page only			62,389.77
2. Total from attached pages (Schedule A)			
3. Aggregate contributions of \$50 or less (not itemized)			
4. Total contributions this reporting period (Add lines 1, 2 & 3)			62,389.77

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure Types Requiring NO Remark	Expenditure Types REQUIRING Remark
CON contribution to candidate, party or committee	CNS campaign consultants
EQP equipment (office machines, furniture, cell phones)	OTH other
FND fundraising events	PRO professional services
FOD food for campaign events, volunteers	
LIT printing and graphics (flyers, signs, palmcards, t-shirts, etc.)	
MHS mail house (all services purchased)	
OFF office rent, utilities, phone and internet services, supplies	
PHO phone banks, automated telephone calls	
POL polling and survey research	
POS Postage for U.S. Mail and mail box fees	
PRT print media ads only (newspapers, magazines, etc.)	
RAD radio ads, production costs	
SAL Campaign workers' salaries and personnel costs	
TRV travel (fuel, mileage, lodging, etc.)	
TVN TV or cable ads, production costs	
WEB Website design, registration, hosting, maintenance, etc.)	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
8/18/08	USPS Scarborough Maine	POS		250.00
8/19/08	Olympic Consulting PO Box 641 Lewiston ME 04243	CNS	Petition circulators	5000.00
8/20/08	The Forecaster PO Box 66797 Falmouth ME 04105	PRT		393.75
8/11/08	Alpha Management 7 Plaza Drive Scarborough ME 04074	OFF		700.00
8/17/08	Scarborough Town of Scarborough ME 04074	OTH	Voter list	30.00
8/12/08	The Forecaster PO Box 66797 Falmouth ME 04105	PRT		393.75
8/22/08	Joe Arndt 113 Payne Rd Scarborough ME 04074	SAL		128.00
1. Total operating expenses this page				6895.50
2. Total from attached Schedule B-1 pages				45,437.31
3. Total operating expenses this reporting period (Add lines 1 & 2)				52,334.81

SVP

Name of PAC

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure types REQUIRING NO Remark	Expenditure types REQUIRING Remark
CON contribution to candidate party or committee	CNS campaign consultants
EOP equipment (office machines, furniture, cell phones)	OTH other
END fundraising event	PRO professional services
FOO food for campaign events, volunteers	
INT printing and graphics (flyers, signs, ball caps, etc.)	
MIS mail house (call service, purchased)	
OLT office rent, utilities, phone and internet, supplies	
PHO phone banks, automated telephone calls	
POL polling and drive-in research	
POS postage (postals, mail and mail boxes)	
PRI printed materials (newspapers, magazines, etc.)	
RAD radio and production costs	
SAL campaign workers' salaries and personnel costs	
TRV travel (travel, lodging and other)	
TVN TV broadcast and production costs	
WEB website design, installation, hosting, maintenance, etc.	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
8/26/08	Joe Arnold 113 Payne Rd Scarborough ME 04074	SAL		512.00
8/29/08	Joe Arnold 113 Payne Rd Scarborough ME 04074	SAL		440.00
8/29/08	Dean Terry 75 Swans Road Raymond ME 04071	SAL		1146.00
8/29/08	Merle Hartford 30 New Road Scarborough ME 04074	SAL		2128.00
8/29/08	Matt Keller Smyer Road Scarborough ME 04074	SAL		136.00
8/29/08	Victor Cote 23 Ashswamp Road Scarborough ME 04074	SAL		160.00
8/29/08	Brian Freccero 3 Meeting House Rd Scarborough ME 04074	SAL		1668.00
1. Total operating expenses this page				6190.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

SVP

Name of PAC

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure types REQUIRING	REMARK	Expenditure types REQUIRING	REMARK
CON	contribution to candidate, party or committee	CONS	campaign consultants
EOP	equipment (office machines, furniture, cell phones)	OTH	other
END	fundraising events	PRO	professional services
FOD	food for campaign events, volunteers		
IT	printing and graphics (flyers, signs, mailcards, letters, etc.)		
MHS	mail house (all services included)		
OFF	office rent, utilities, phone and internet services, supplies		
PHC	phone banks, national telephone calls		
POI	polling and surveys/research		
POS	postage for US Mail and mailboxes		
PAI	paid media ads only (newspapers, magazines, etc.)		
PAD	radio and production costs		
SAL	campaign workers' salaries and other personnel cost		
TRV	travel (mileage, lodging, etc.)		
TVN	TV or cable ads, production costs		
WEB	website design, registration, hosting, maintenance, etc.		

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/2/08	Max Kella Swyer Road Scarborough ME	SAL		500.00
9/2/08	Pamela Brondin 239 US Rt 1 Scarborough ME 04074	SAL		176.00
9/2/08	Josh Needle E. Castle Terrace Scarborough ME 04074	SAL		12.00
9/2/08	Merle Hartford 30 New Road Scarborough ME 04074	SAL		440.00
9/2/08	John Thomas 19 Hawthorne Circle Scarborough ME	SAL		596.00
9/2/08	Judy Thomas 19 Hawthorne Rd Scarborough ME	SAL		2.00
9/2/08	Mary Smith 27 Glendale Circle Scarborough 04074	SAL		400.00
1. Total operating expenses this page				2126.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

Name of PAC _____

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure Type	Requiring	Remark	Expenditure Type	Requiring	Remark
CON	CON		CON	CON	
EQP	EQP		CONS	CONS	
TRAV	TRAV		PROF	PROF	
REP	REP		PROF	PROF	
INT	INT		PROF	PROF	
MIS	MIS		PROF	PROF	
OFF	OFF		PROF	PROF	
PHO	PHO		PROF	PROF	
POST	POST		PROF	PROF	
PRR	PRR		PROF	PROF	
RAD	RAD		PROF	PROF	
SAL	SAL		PROF	PROF	
TRV	TRV		PROF	PROF	
TV	TV		PROF	PROF	
WEB	WEB		PROF	PROF	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/2/08	Joe Arnold 113 Payne Rd Scarborough ME 04074	SAL		136.00
9/3/08	Sash Nichola 97 Holmes Rd Scarborough	SAL		82.00
9/3/08	Mark Harris Po Box 468 Scarborough ME 04074	SAL		262.00
9/4/08	Lori Hill 13 Dunstan Ave S Scarborough ME 04074	SAL		220.00
9/4/08	Brian Tracasso 3 meeting House Rd S Scarborough ME	SAL		230.00
9/4/08	Pat Bahno 27 Church Street Scarborough 04074	SAL		22.00
9/4/08	Victoria Frasier Jones 90 Broadtown Rd Scarborough 04074	SAL		8.00
1. Total operating expenses this page				960.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

(Revised 03/08) (Duplicate as needed)

Name of PAC

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure types REQUIRING NO Remark	Expenditure types REQUIRING Remark
CON Contribution to candidate, party or committee	CNS Campaign consultants
EQP Equipment (office machines, furniture, cell phones)	OTH Other
END Fundraising events	PRO Professional services
FOO Food for campaign events, volunteers	
INT Mail and e-mails, flyers, signs, postcards, fliers, etc.	
MHS Mailhouse (all services, not postage)	
OFF Office rent, utilities, phone and internet services, supplies	
PHO Phone banks, automated telephone calls	
POL Polling and survey costs	
POS Postage for U.S. Mail and mail box fees	
PRP Printed materials only (news papers, magazines, etc.)	
PAD Paid advertising costs	
SA Campaign workers, salaries and personnel costs	
TRV Travel (fuel, mileage, lodging, etc.)	
TVI TV air cable ads production costs	
WEB Website design, registration, hosting, maintenance, etc.	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/5/08	Lisa Brady 230 US Rt 1 Scarborough, ME	SAL		429.00
9/9/08	Jay Vachon 25 Ocean Ave Scarborough ME	SAL		150.00
9/8/08	Rene Leighton 14 Westwood Ave Scarborough 04074	SAL		326.00
9/8/08	Mary Smith 27 Glendale Circle Scarborough 04074	SAL		96.00
9/15/08	USPS Scarborough Scarborough 04074	POS		30.00
9/15/08	Alpha Management 7 Plaza Drive Scarborough ME	OFF		700.00
9/15/08	Rumblestrip Design 49 Bridge St #2 Yarmouth ME 04096	WEB		666.00
1. Total operating expenses this page				2392.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

Srp

Name of PAC

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure types Requiring NO Remark		Expenditure types REQUIRING Remark	
CON	Contribution to candidate, party or committee	CON	Contribution to candidate, party or committee
ECP	Equipment (office machines, furniture, cell phones)	OTH	Other
END	Endorsement events	PRO	Professional services
EOP	Expenses for campaign events, volunteers		
EXP	Expenses for campaign (flyers, signs, postcards, t-shirts, etc.)		
MBS	Mail boxes (all services combined)		
OFF	Office rent, utilities (phone and internet services, supplies)		
PHO	Phone bank (skateboard, telephone)		
POC	Political and survival research		
POS	Postage for US Mail and mail box fees		
PRT	Print materials (only news papers, magazines, etc.)		
PRD	Production costs		
SAL	Campaign salaries, salaries and personnel costs		
TRV	Travel (mileage, lodging)		
TVN	TV or radio news production costs		
WEB	Website design, registration, hosting, maintenance, etc.		

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/16/08	De Foreccaster Po Box 66797 Falmouth ME 04105	PRT		1230.00
9/16/08	The Current Publishing Po Box 840 Westbrook ME 04098	PRT		720.00
9/16/08	Brown Fox Printing US Rt. 1 Scarborough 04074	LIT		25.20
9/16/08	Jobs in the US P.O. Box 604 Westbrook 04098	OTH	help wanted ad	225.00
9/16/08	Mainely Media Po Box 1894 Biddeford ME 04005	PRT		360.00
9/16/08	Time Warner Cable Po Box 1034 Buffalo NY 14240	OFF		354.46
9/16/08	The Current Newspaper Po Box 840 Westbrook ME 04098	PRT		1080.00
1. Total operating expenses this page				3994.66
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

Name of PAC _____

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure Types REQUIRING CODE	Remark	Expenditure Types REQUIRING CODE	Remark
CON	Conventions and trade payoffs committee	CON	campaign consultants
EQP	equipment (office machines, furniture, cell phones)	OTH	other
EXP	fundraising events	PRO	professional services
FOB	food for campaign events, volunteers		
GRN	printing and graphics (flyers, signs, palm cards, etc.)		
INT	internet (e-mail, etc.)		
MAIL	mail (air, air services, postage)		
OFF	office rent, utilities, phone and internet services, supplies		
PHO	phone bank, automated telephone calls		
POL	polling and survey research		
POS	postage for U.S. Mail and mail box fees		
PRM	print media ads only (newspapers, magazines, etc.)		
PRD	production costs		
SAL	campaign workers salaries and personal cost		
TRV	travel (fuel, mileage, lodging, etc.)		
WEB	website design, registration, hosting, domain names, etc.		

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/4/08	Sean Hill 13 Dunston Ave Scarborough 04074	SAL		458.00
9/4/08	Edith Roach 11 Pine Point Rd Scarborough 04074	SAL		48.00
9/4/08	Wendy Stewart 7 Spruce Circle Scarborough 04074	SAL		242.00
9/4/08	Judy Pearce 19 Nelson Rd Scarborough 04074	SAL		46.00
9/4/08	Bob Dyer Libby Street Scarborough ME	SAL		498.00
9/4/08	Marta Tripp 26 Deer Wood Scarborough ME	SAL		548.00
9/4/08	Merle Hartford 30 New Road Scarborough ME	SAL		384.00
1. Total operating expenses this page				2224.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

SVP

Name of PAC

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure Type	REQUIRING	Remark
CON	Contributions to candidates, party or committee	
EQP	Equipment (office machines, furniture, cell phones)	
END	Endorsement events	
FOD	Fundraising events	
LIT	Literature (brochures, flyers, letters, postcards, t-shirts, etc.)	
MRS	Mail (miscellaneous postage)	
OFF	Office (rent, utilities, phone, and internet services, supplies)	
PHO	Phone (bank, automated, telephone calls)	
POI	Printing and advertising (research)	
POS	Postage for U.S. Mail and mailboxes	
PRI	Printed materials (newsletters, papers, magazines, etc.)	
RAD	Radio advertising production costs	
SAL	Campaign workers' salaries and personnel costs	
TRV	Travel (mileage, advertising production costs)	
WEB	Websites (design, registration, hosting, maintenance, etc.)	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/20/08	AFR, Inc. 720. Hwy 17mi Road Pennsauken NJ 08110	EQP		642.40
9/22/08	Caren Vachon 25 Ocean Ave Scarborough 04074	SAL		98.00
9/23/08	Dr. Freecaster PO Box 66997 Edmunds 04105	PRT		401.25
9/24/08	Judy Pearce 19 Nelson Rd Scarborough 04074	SAL		18.00
9/25/08	Thomas Hillman Design 32 Vivian Street So. Portland 04106	LIT		433.00
9/26/08	Smith Office Systems PO Box 597 Scarborough 04074	EQP		615.00
9/29/08	Pumblestrip Graphics 49 Bridge St. #2 Yarmouth ME 04096	WEB		866.00
1. Total operating expenses this page				3073.65
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

SWP

**SCHEDULE B-1
OPERATING EXPENSES**

Do not include loan repayments or expenditures made on communications to support or oppose candidates on this schedule.

Expenditure types Requiring NO Remark	Expenditure types REQUIRING Remark
CCON: contribution of candidate, party or committee	CONS: campaign consultants
CCP: campaign office expenses (rent, furniture, telephones)	OFF: office
END: fund-raising events	PRO: professional services
FOD: food or campaign events (buffets)	
LIT: printing and graphics (flyers, signs, palm cards, cards, etc.)	
MHS: mail house or other services (postage)	
OFF: office supplies (staples, paper, etc.)	
PHS: phone banks, automated telephone calls	
PCL: printing and mailing costs	
POS: postage for U.S. Mail and mailboxes	
PRT: print media ads (daily newspapers, magazines, etc.)	
RAD: radio ads, production costs	
SAL: campaign workers' salaries and personnel costs	
TRV: travel (airfare, lodging, etc.)	
TVN: TV news coverage, production costs	
WEB: website design, registration, hosting, maintenance, etc.	

For every expenditure, list the appropriate code.

If a remark is required, list additional information such as type of consulting (media, messaging, campaign, etc.) or professional service provided.

Date of payment	Payee/organization name, address, zip code	Code	Remarks or purpose of expenditure	Amount
9/29/08	Current Publishing Po Box 840 Westbrook ME 04092	PRT		285.00
9/30/08	Dea Terry 75 Swans Rd Raymond ME	SAL		118.00
10/2/08	Tom Sesto 177 Spawink Rd Scarborough ME 04092	SAL		192.00
10/6/08	Thomas Hillman Design 32 Vivian Street So. Portland ME	LIT		667.00
10/6/08	Alpha Management 7 Plaza Drive Scarborough 04574	OFF		700.00
10/6/08	Current Publishing Po Box 840 Westbrook 04092	PRT		645.00
10/6/08	The Forecaster Po Box 66797 Falmouth ME 04105	PRT		850.00
1. Total operating expenses this page				3457.00
2. Total from attached Schedule B-1 pages				
3. Total operating expenses this reporting period (Add lines 1 & 2)				

SVP

Name of PAC

Page 1 of 2

SCHEDULE C

IN-KIND CONTRIBUTIONS/EXPENDITURES

In-Kind CONTRIBUTIONS

With respect to all items and services received and expended, enter the date received, a description of the item or service, and the fair market value. Enter contributor information if the fair market value of donated item or service is more than \$50.

Date received	Contributors name, address, zip code	Description of goods, services, discounts or facilities received/expended	Fair market value
10/4/08	Penn National Gaming 825 Berkshire Blvd Wyomissing	Dan Warren - Campaign Consulting Services	30,000
8/12/08	Penn National Gaming PA 19080	Gene Beaudoin - Campaign Consulting Services	12,000
8/12/08	Penn National Gaming Inc	Kathryn Kelsch - Campaign Marketing Services In-Kind EXPENDITURES	17,000

If the items shown above were, in turn, contributed to candidates or committees, list to whom the items were donated and their description.

Date of payment	Recipient's name, address, zip code	Description of goods, services, discounts or facilities contributed	Fair market value

SCHEDULE D

LOANS/LOAN REPAYMENTS

List loans and loan repayments from all sources.

Date of loan/ loan repayment	Identity of lender	COLUMN 1 Loan balance from previous period	COLUMN 2 Amount loaned this period	COLUMN 3		COLUMN 4 Unpaid loans Columns 1 + 2 - 3
				Amount repaid/ forgiven this period	R F	
					R F	
					R F	
					R F	

SCHEDULE E

TOTAL UNPAID OBLIGATIONS (OTHER THAN LOANS)

List all goods or services that have not been invoiced and all existing unpaid bills.

Date obligation incurred	Creditor's name, address, zip code	Purpose	Amount

(Revised 03/08) (Duplicate as needed)

SVP

Name of PAC

Page 2 of 2

SCHEDULE C

IN-KIND CONTRIBUTIONS/EXPENDITURES

In-Kind CONTRIBUTIONS

With respect to all items and services received and expended, enter the date received, a description of the item or service, and the fair market value. Enter contributor information if the fair market value of donated item or service is more than \$50.

Date received	Contributors name, address, zip code	Description of goods, services, discounts or facilities received/expended	Fair market value
8/12/08	Penn National Gaming Inc 825 Berkshire Blvd Wyoming PA 19610	Steve Westra - Campaign consulting services	12,500

In-Kind EXPENDITURES

If the items shown above were, in turn, contributed to candidates or committees, list to whom the items were donated and their description.

Date of payment	Recipient's name, address, zip code	Description of goods, services, discounts or facilities contributed	Fair market value

SCHEDULE D

LOANS/LOAN REPAYMENTS

List loans and loan repayments from all sources.

Date of loan/ loan repayment	Identity of lender	COLUMN 1 Loan balance from previous period	COLUMN 2 Amount loaned this period	COLUMN 3		COLUMN 4 Unpaid loans Columns 1 + 2 - 3
				Amount repaid/ forgiven this period		
					R F	
					R F	
					R F	

SCHEDULE E

TOTAL UNPAID OBLIGATIONS (OTHER THAN LOANS)

List all goods or services that have not been invoiced and all existing unpaid bills.

Date obligation incurred	Creditor's name, address, zip code	Purpose	Amount

30-A M.R.S.A. § 2502. CAMPAIGN REPORTS IN MUNICIPAL ELECTIONS

1. Reports by candidates. A candidate for municipal office of a town or city with a population of 15,000 or more is governed by Title 21-A, sections 1001 to 1020-A, except that notices of appointment of a treasurer and campaign reports must be filed with the municipal clerk instead of the Commission on Governmental Ethics and Election Practices. A town or city with a population of less than 15,000 may choose to be governed by Title 21-A, sections 1001 to 1020-A by vote of its legislative body at least 90 days before an election for office. A town or city that votes to adopt those provisions may revoke that decision, but it must do so at least 90 days before an election subject to those sections.

A. Notwithstanding Title 17-A, section 4-A, a candidate who fails to file a notice or report as required by this section is guilty of a Class E crime and may be punished by a fine of \$5 for every day the candidate is in default or by imprisonment for not more than 30 days, or both. [1995, c. 483, §22 (AMD) .]

[1999, c. 645, §15 (AMD) .]

2. Municipal referenda campaigns. Municipal referenda campaigns in towns or cities with a population of 15,000 or more are governed by Title 21-A, chapter 13, subchapter IV. The registrations and reports of political action committees must be filed with the municipal clerk. A town or city with a population of less than 15,000 may choose to be governed by Title 21-A, chapter 13, subchapter IV by vote of its legislative body at least 90 days before a referendum election. A town or city that votes to adopt those provisions may revoke that decision, but it must do so at least 90 days before an election subject to that subchapter.

[1997, c. 567, §2 (AMD) .]

SECTION HISTORY

1987, c. 737, §§A2, C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD). 1989, c. 104, §§C8, 10 (AMD). 1995, c. 483, §22 (AMD). 1997, c. 567, §2 (AMD). 1999, c. 645, §15 (AMD).

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SUBCHAPTER IV
REPORTS BY POLITICAL ACTION COMMITTEES

21A § 1051. Application

This subchapter applies to the activities of political action committees organized in and outside this State that accept contributions, incur obligations or make expenditures for the election of state, county or municipal officers, or for the support or defeat of any campaign, as defined in this subchapter.

This subchapter does not apply to any broadcast time concerning any referendum campaign, as defined in section 1, subsection 36, which is provided by a broadcaster in accordance with the requirements of the Federal Communications Act, United States Code, Title 47, Section 315, generally referred to as the "Fairness Doctrine."

21A § 1052. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Campaign. "Campaign" means any course of activities for a specific purpose such as the initiation, promotion or defeat of a candidate or question, including:

- A. The referendum procedure under the Constitution of Maine, Article IV, Part Third, Section 17;
- B. The initiative procedure under the Constitution of Maine, Article IV, Part Third, Section 18;
- C. An amendment to the Constitution of Maine under Article X, Section 4;
- D. Legislation expressly conditioned upon ratification by a referendum vote under the Constitution of Maine, Article IV, Part Third, Section 19;
- E. The ratification of the issue of bonds by the State or any agency thereof; and
- F. Any county or municipal referendum.

2. Committee. "Committee" means any political action committee, as defined in this subchapter, and includes any agent of a political action committee.

3. Contribution. "Contribution" includes:

- A. A gift, subscription, loan, advance or deposit of money or anything of value made to a political action committee, except that a loan of money by a financial institution made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- B. A contract, promise or agreement, expressed or implied whether or not legally enforceable, to make a contribution to a political action committee;

C. Any funds received by a political action committee that are to be transferred to any candidate, committee, campaign or organization for the purpose of promoting, defeating or initiating a candidate, referendum, political party or initiative, including the collection of signatures for a direct initiative, in this State; or

D. The payment, by any person or organization, of compensation for the personal services of other persons provided to a political action committee which is used by the political action committee to promote, defeat or initiate a candidate, campaign political party, referendum or initiated petition in this State.

4. **Expenditure.** The term "expenditure:"

A. Includes:

(1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made for the purpose of influencing the nomination or election of any person to political office; or for the initiation, support or defeat of a campaign, referendum or initiative, including the collection of signatures for a direct initiative, in this State;

(2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure for the purposes set forth in this paragraph; and

(3) The transfer of funds by a political action committee to another candidate or political committee; and

B. Does not include:

(1) Any news story, commentary or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless these facilities are owned or controlled by any political party, political committee, candidate or candidate's immediate family;

(2) Activity designed to encourage individuals to register to vote or to vote, if that activity or communication does not mention a clearly identified candidate;

(3) Any communication by any membership organization or corporation to its members or stockholders, if that membership organization or corporation is not organized primarily for the purpose of influencing the nomination or election of any person to state or county office;

(4) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by a political action committee in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the political action committee on behalf of any candidate does not exceed \$100 with respect to any election;

(5) Any unreimbursed travel expenses incurred and paid for by a political action committee that volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed \$100 with respect to any election; and

(6) Any communication by any political action committee member that is not made for the purpose of influencing the nomination for election, or election, of any person to state or county office.

5. **Political action committee.** The term "political action committee:"

A. Includes:

(1) Any separate or segregated fund established by any corporation, membership organization, cooperative or labor or other organization whose purpose is to influence the outcome of an election, including a candidate election or ballot question;

(2) **(REPEALED)**

(3) **(REPEALED)**

(4) Any organization, including any corporation or association, that has as its major purpose initiating, promoting, defeating or influencing a candidate election, campaign or ballot question and that spends more than \$1,500 in a calendar year for that purpose, including for the collection of signatures for a direct initiative or referendum in this State; and

(5) Any organization that does not have as its major purpose promoting, defeating or influencing candidate elections but that spends more than \$5,000 in a calendar year for the purpose of promoting, defeating or influencing in any way the nomination or election of any candidate to political office.

B. Does not include:

(1) A candidate or a candidate's treasurer under section 1013-A, subsection 1;

(2) A candidate's authorized political committee under section 1013-A, subsection 2; or

(3) A party committee under section 1013-A, subsection 3.

21A § 1053. Registration

Every political action committee, as defined under section 1052, subsection 5, paragraph A, subparagraph (1) or (4) that makes expenditures in the aggregate in excess of \$1,500 and every political action committee, as defined under section 1052, subsection 5, paragraph A, subparagraph (5), that makes expenditures in the aggregate in excess of \$5,000 must register with the Commission within 7 days of exceeding the applicable amount on forms prescribed by the Commission. These forms must include the following information and any additional information reasonably required by the Commission to monitor the activities of political action committees in this State under this subchapter:

1. Identification of committee. The names and mailing addresses of the committee, its treasurer, its principal officers, the names of any candidates and Legislators who have a significant role in fund raising or decision-making for the committee and all individuals who are the primary fund-raisers and decision makers for the committee;

2. Form of organization. The form or structure of organization, including cooperatives, corporations, voluntary associations, partnerships or any other structure by which the committee functions. The date of origin or incorporation must also be specified; and

3. Statement of support or opposition. A statement indicating the positions of the committee, support or opposition, with respect to a candidate, political committee, referendum, initiated petition or campaign, if known at the time of registration. If a committee has no position on a candidate, campaign or issue at the time of registration, the committee must inform the Commission as soon as the committee knows this information.

Every change in information required by this section must be included in an amended registration form submitted to the Commission within ten (10) days of the date of the change. The committee must file an updated registration form every two (2) years between January 1st and March 1st of an election year. The commission may waive the updated registration requirement for newly registered political action committees or other registered political action committees if it determines that the requirement would cause an administrative burden disproportionate to the public benefit of updated information.

* At the time of registration, the political action committee shall file an initial campaign finance report disclosing all information required by section 1060.

21A § 1054. Appointment of treasurer

Any political action committee required to register under section 1053 must appoint a treasurer before registering with the commission. The treasurer shall retain, for a minimum of four (4) years, all receipts, including cancelled checks, of expenditures made in support of or in opposition to a campaign, political committee, political action committee, referendum or initiated petition in this State.

21A § 1055. Publication or distribution of political communications

A political action committee that makes an expenditure to finance a communication expressly advocating the election or defeat of a candidate or that names or depicts a clearly identified candidate is subject to the requirements of section 1014.

21A § 1056. Expenditure limitations

Any committee required to register under this chapter shall comply with the following expenditure limitations.

1. Aggregate expenditures. A committee may not make contributions in support of the candidacy of one person aggregating more than \$500 in any election for a gubernatorial candidate, or \$250 in any election for any other candidate.

2. Prohibited expenditures. No committee may make any expenditure for liquor to be distributed to or consumed by voters while the polls are open on election day.

21A § 1056-A. Expenditures by political action committees

A political action committee shall report all expenditures in cash or in kind made by the committee.

21A § 1056-B. Reports of contributions and expenditures by persons

* Any person not defined as a political action committee who solicits and receives contributions or makes expenditures, other than by contribution to a political action committee, aggregating in excess of \$5,000 for the purpose of initiating, promoting, defeating or influencing in any way a ballot question must file a report with the Commission. In the case of a municipal election, a copy of the same information must be filed with the clerk of that municipality. Within seven days of receiving contributions or making expenditures that exceed \$5,000, the person shall register with the Commission as a ballot question committee. For the purposes of this section, expenditures include paid staff time spent for the purpose of influencing in any way a ballot question. The Commission must prescribe forms for the registration, and the forms must include specification of a treasurer for the committee, any other principal officers and all individuals who are the primary fund-raisers and decision makers for the committee.

1. Filing requirements. A report required by this section must be filed with the Commission according to a reporting schedule that the Commission shall establish that takes into consideration existing campaign finance reporting schedule requirements in section 1059.

2. Content. A report must contain an itemized account of each expenditure made to and contribution received from a single source aggregating in excess of \$100 in any election; the date of each contribution; the date and purpose of each expenditure; and the name and address of each contributor, payee or creditor. The filer is required to report only those contributions made to the filer for the purpose of initiating, promoting, defeating or influencing in any way a ballot question and only those expenditures made for those purposes. The definitions of "contribution" and "expenditure" in section 1052, subsections 3 and 4, respectively, apply to persons required to file ballot question reports.

2.A. Contributions. For the purposes of this section, "contribution" includes, but is not limited to:

- A. Funds that the contributor specified were given in connection with a ballot question;
- B. Funds provided in response to a solicitation that would lead the contributor to believe that the funds would be used specifically for the purpose of initiating, promoting, defeating or influencing in any way a ballot question;
- C. Funds that can reasonably be determined to have been provided by the contributor for the purpose of initiating, promoting, defeating or influencing in any way a ballot question when viewed in the context of the contribution and the recipient's activities regarding a ballot question; and

D. Funds or transfers from the general treasury of an organization filing a ballot question report.

3. Forms. A report required by this section must be on a form prescribed and prepared by the Commission. A person filing this report may use additional pages if necessary, but the pages must be the same size as the pages of the form.

4. Records. A person filing a report required by this section shall keep records as required by this subsection for one year following the election to which the records pertain.

A. The filer shall keep a detailed account of all contributions made to the filer for the purpose of initiating, promoting, defeating or influencing in any way a ballot question and all expenditures made for those purposes.

B. The filer shall retain a vendor invoice or receipt stating the particular goods or services purchased for every expenditure in excess of \$50.

21A § 1057. Records

Any political action committee that makes expenditures which aggregate in excess of \$50 to any one or more candidates, committees or campaigns in this State shall keep records as provided in this section. Records required to be kept under subsections 1, 2 and 3 shall be retained by the political action committee until ten (10) days after the next election following the election to which the records pertain.

1. Details of records. The treasurer of a political action committee must record a detailed account of:

- A. All expenditures made to or in behalf of a candidate, campaign or committee;
- B. The identity and address of each candidate, campaign or committee;
- C. The office sought by a candidate and the district he seeks to represent, for candidates which a political action committee has made an expenditure to or in behalf of; and
- D. The date of each expenditure.

2. Receipts. The treasurer of a political action committee must retain a vendor invoice or receipt stating the particular goods or services purchased for every expenditure in excess of \$50.

3. Record of contributions. The treasurer of a political action committee must keep a record of all contributions to the committee, by name and mailing address, of each donor and the amount and date of the contribution. This provision does not apply to aggregate contributions from a single donor of \$50 or less for an election or referendum campaign. When any donor's contributions to a political action committee exceed \$50, the record must include the aggregate amount of all contributions from that donor.

21A § 1058. Reports; qualifications for filing

* A political action committee that is required to register with the Commission shall file a report on its activities in that campaign with the Commission on forms as prescribed by the Commission. A political action committee organized in this State required under this section to file a report shall file the report for each filing period under section 1059. A political action committee organized outside this State shall file with the Commission on Governmental Ethics and Election Practices of this State a copy of the report that the political action committee is required to file in the state in which the political action committee is organized. The political action committee shall file the copy only if it has expended funds or received contributions or made expenditures in this State. The copy of the report must be filed in accordance with the schedule of filing in the state where it is organized. If contributions or expenditures are made relating to a municipal office or referendum, the report must be filed with the clerk in the subject municipality.

21A § 1059. Report; filing requirements

* Committees required to register under section 1053 shall file reports in compliance with this section. All reports must be filed by 11:59 p.m. on the filing deadline, except that reports submitted to a municipal clerk must be filed by the close of business on the filing deadline.

1. Contents; quarterly reports and election year reports. (REPEALED)

* **2. Reporting schedule.** Committees shall file reports according to the following schedule.

A. Quarterly reports must be filed:

- * (1) On January 15th and must be complete as of January 5th;
(2) On April 10th and must be complete as of March 31st;
(3) On July 15th and must be complete as of July 5th; and
(4) On October 10th and must be complete as of September 30th.

B. General and primary election reports must be filed:

- (1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and
(2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date.

C. Reports of spending to influence special elections, referenda, initiatives, bond issues or constitutional amendments must be filed:

- (1) On the 11th day before the date on which the election is held and must be complete as of the 14th day before that date; and
(2) On the 42nd day after the date on which the election is held and must be complete as of the 35th day after that date.

D. A committee that files an election report under paragraph B or C is not required to file a quarterly report when the deadline for that quarterly report falls within ten (10) days of the filing deadline established in paragraph B or C.

E. A committee shall report any expenditure of \$500 or more made after the 14th day before the election and more than 24 hours before 5:00 p.m. on the day of the election within 24 hours of that expenditure.

3. **Report of expenditures made after the 11th day and more than 48 hours before any election. (REPEALED)**

4. **Special election reports. (REPEALED)**

5. **Electronic filing.** Committees shall file each report required by this section through an electronic filing system developed by the Commission. The Commission may make an exception to this electronic filing requirement if a committee submits a written request that states that the committee lacks access to the technology or the technological ability to file reports electronically. The request for an exception must be submitted within 30 days of the registration of the committee. The Commission shall grant all reasonable requests for exceptions.

21A § 1060. Content of reports

The reports must contain the following information and any additional information required by the Commission to monitor the activities of political action committees:

1. **Identification of candidates.** The names of and offices sought by all candidates whom the committee supports, intends to support or seeks to defeat;

2. **Identification of committees; parties.** The names of all political committees or party committees supported in any way by the committee;

3. **Identification of referendum or initiated petition.** The referenda or initiated petitions that the committee supports or opposes;

4. **Itemized expenditures.** An itemization of each expenditure made on behalf of any candidate, campaign, political committee, political action committee and party committee or to support or oppose a referendum or initiated petition, including the date, payee and purpose of the expenditure; the name of each candidate, campaign, political committee, political action committee or party committee on whose behalf the expenditure was made; and each referendum or initiated petition supported or opposed by the expenditure. If expenditures were made to a person described in section 1012, subsection 3, paragraph A, subparagraph (4), the report must contain the name of the person; the amount spent by that person on behalf of the candidate, campaign, political committee, political action committee, party committee, referendum or initiated petition, including, but not limited to, expenditures made during the signature-gathering phase; the reason for the expenditure; and the date of the expenditure. The Commission may specify the categories of expenditures that are to be reported to enable the Commission to closely monitor the activities of political action committees;

5. Aggregate expenditures. An aggregation of expenditures and cumulative aggregation of expenditures to a candidate, campaign, political committee, political action committee, party committee, referendum or initiated petition;

6. Identification of contributions. Names, occupations, places of business and mailing addresses of contributors who have given more than \$50 to the political action committee in the reporting period and the amount and date of each contribution, except that an organization qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report only those contributions made to the organization for the purpose of promoting, defeating or influencing a ballot question or the nomination or election of a candidate to political office and all transfers to or funds used to support the political action committee from the general treasury of the organization; and

7. Other expenditures. Operational expenses and other expenditures in cash or in kind that are not made on behalf of a candidate, committee or campaign, except that an organization qualifying as a political action committee under section 1052, subsection 5, paragraph A, subparagraph (5) is required to report only those expenditures made for the purpose of promoting, defeating or influencing a ballot question or the nomination or election of a candidate to political office.

21A § 1061. Dissolution of committees

Whenever any political action committee determines that it will no longer solicit or accept any contributions, incur any obligations, make any expenditures to or on behalf of any candidate, political committee, party committee or political action committee to initiate, support, defeat or influence in any way the outcome of a referendum, initiated petition or election and the committee has no outstanding loans, debts or other obligations, the committee shall file a termination report that includes all financial activity from the end date of the previous reporting period through the date of termination with the commission. If a termination report is not filed, the committee shall continue to file periodic reports as required in this chapter.

21A § 1062. Failure to file on time (REPEALED)

21A § 1062-A. Failure to file on time

1. Registration. A political action committee required to register under section 1053 that fails to do so in accordance with section 1053 or that fails to provide the information required by the Commission for registration may be assessed a forfeiture of \$250.

2. Campaign finance reports. A campaign finance report is not timely filed unless a properly signed or electronically submitted copy of the report, substantially conforming to the disclosure requirements of this subchapter, is received by the Commission by 11:59 p.m. on the date it is due. Except as provided in subsection 6, the Commission shall determine whether a required report satisfies the requirements for timely filing. The Commission may waive a penalty if it is disproportionate to the level of experience of the person filing the report or to the harm suffered by the public from the late disclosure. The Commission may

waive the penalty in whole or in part if the Commission determines the failure to file a timely report was due to mitigating circumstances. For purposes of this section, "mitigating circumstances" means:

- A. A valid emergency of the committee treasurer determined by the Commission, in the interest of the sound administration of justice, to warrant the waiver of the penalty in whole or in part;
- B. An error by the Commission staff; or
- C. Other circumstances determined by the Commission that warrant mitigation of the penalty, based upon relevant evidence presented that a bona fide effort was made to file the report in accordance with the statutory requirements, including, but not limited to, unexplained delays in postal service or interruptions in Internet service.

* **3. Basis for penalties.** The penalty for late filing of a report required under this subchapter is a percentage of the total contributions or expenditures for the filing period, whichever is greater, multiplied by the number of calendar days late, as follows:

- A. For the first violation, 1%;
- B. For the 2nd violation, 3%; and
- C. For the 3rd and subsequent violations, 5%.

Any penalty of less than \$10 is waived.

Violations accumulate on reports with filing deadlines in a two-year period that begins on January 1st of each even-numbered calendar year. Waiver of a penalty does not nullify the finding of a violation.

A report required to be filed under this subchapter that is sent by certified or registered United States mail and postmarked at least two (2) days before the deadline is not subject to penalty.

A required report may be provisionally filed by transmission of a facsimile copy of the duly executed report to the Commission, as long as an original of the same report is received by the Commission within 5 calendar days thereafter.

* **4. Maximum penalties.** The maximum penalties under this subchapter are \$10,000 for reports required under section 1059, subsection 2, paragraphs B, C and E and \$5,000 for reports required under section 1059, subsection 2, paragraph A.

5. Request for a commission determination. Within three (3) days following the filing deadline, a notice must be forwarded to the principal officer and treasurer of the political action committee whose report is not received by 11:59 p.m. on the deadline date, informing them of the basis for calculating penalties under subsection 3 and providing them with an opportunity to request a commission determination. The notice must be sent by certified United States mail. A request for determination must be made within ten (10) calendar days of receipt of the Commission's notice. The ten-day period during which a determination may be requested begins on the day a recipient signs for the certified mail notice of the proposed penalty. If the certified letter is refused or left unclaimed at the post office, the ten-day period begins on the day the post office indicates it has given first notice of a certified letter. A principal officer or treasurer requesting a determination may either appear in person or

designate a representative to appear on the principal officer's or treasurer's behalf or submit a notarized written explanation of the mitigating circumstances for consideration by the Commission.

6. Final notice of penalty. After a commission meeting, notice of the final determination of the Commission and the penalty, if any, imposed pursuant to this subchapter must be sent to the principal officer and the treasurer of the political action committee.

If no determination is requested, the Commission staff shall calculate the penalty based on the provision of subsection 3 and shall mail final notice of the penalty to the principal officer and to the treasurer of the political action committee. A detailed summary of all notices must be provided to the Commission.

7. List of late-filing committees. The Commission shall prepare a list of the names of political action committees that are late in filing a report required under section 1059, subsection 2, paragraph B, subparagraph (1) or section 1059, subsection 2, paragraph C or D within 30 days of the date of the election and shall make that list available for public inspection.

8. Failure to file. A person who fails to file a report as required by this subchapter within 30 days of the filing deadline is guilty of a Class E crime, except that, if a penalty pursuant to subsection 8-A is assessed and collected by the Commission, the State may not prosecute a violation under this subsection.

8-A. Penalties for failure to file report. The maximum penalty for failure to file a report required under section 1059, subsection 2, paragraph B, C or E is \$10,000. The maximum penalty for failure to file a report required under section 1059, subsection 2, paragraph A is \$5,000.

9. Enforcement. The Commission staff has the responsibility for collecting the full amount of any penalty and has all necessary powers to carry out this responsibility. Failure to pay the full amount of any penalty levied under this subchapter is a civil violation by the political action committee and its treasurer. Thirty days after issuing the notice of penalty, the Commission shall report to the Attorney General the name of any political action committee, along with the name of its treasurer, that has failed to pay the full amount of any penalty. The Attorney General shall enforce the violation in a civil action to collect the full outstanding amount of the penalty. This action must be brought in the Superior Court for Kennebec County or the District Court, 7th District, Division of Southern Kennebec.

21A § 1063. Constitutional officers and State Auditor

The Secretary of State, the Treasurer of State, the Attorney General, the State Auditor, or any individual running for these offices, may not form a political action committee or be involved in decision making for or solicit contributions to a political action committee.

RECEIVED

JAN 9 2009

MAINE ETHICS COMMISSION

January 9, 2009

Mr. Jonathan Wayne
Executive Director
Maine Commission on Governmental Ethics
And Election Practices
135 State House Station
Augusta ME 04333-0135

Re: Scarborough Village Partnership

Dear Mr. Wayne,

Thank you for the opportunity to respond your letter of November 26, 2008 regarding the Scarborough Village Partnership's political action committee filings.

By way of background, I have had a long-term interest in trying to preserve Maine harness racing, having come to know the many extraordinary families that depend on the industry and being a life-long lover of horses. My involvement in the industry includes many years as the director of advertising for Scarborough Downs and work as a public relations consultant to various industry groups.

Pre-Registration Activities

This past summer, Scarborough Village Partnership (SVP) was formed to fashion a plan to design a land development and an improved Scarborough Downs racetrack that would include a gaming machine facility. Gene Beaudoin, a land use and development expert who had experience in the Scarborough area, headed the effort. I was retained to provide advertising and public relations services for the Scarborough-based project. As the campaign progressed, I was also given the responsibility of handling the campaign checkbook.

In August 2008, SVP made a decision to initiate a municipal referendum within the Town of Scarborough. At the time, discussions took place with Tody Justice, Scarborough's Town Clerk, about getting that process underway, which required us to submit a proposed change of the town's zoning ordinance for review by the Town Clerk and the town's attorney and to obtain signatures on a petition to put the matter on the November 2008 ballot, if such proved necessary. Penn National Gaming, Inc. agreed to contribute funds to pay those expenses.

During this same time, Gene Beaudoin was in discussions with town councilors regarding the prospect for council action for the zoning change. It was my understanding from these discussions that we did not have to register because changing the law through council action did not require registration. At a special public hearing on September 24, 2008, the Scarborough town council made its decision not to take action themselves on the zoning issue but to put the referendum question on the November ballot for voters to decide.

Throughout this process, the SVP project was intentionally very public. For example, Gene Beaudoin and others commented in press stories about our effort, including stories that explained we were hurrying to secure signatures to put the matter on the ballot for November 2008 prior to the Council making their final decision and were paying signature gatherers to work on the project. I placed ads in the local weekly newspapers inviting Scarborough residents' input at organized public meetings regarding the Scarborough Village development and a brochure was sent out to every resident. In addition, we disclosed Penn's financial involvement in the press and in televised meetings of the Scarborough Town Council. (See enclosed articles, ads, and town council meetings 9-17-08 and 9-24-08 minutes packet)

The September 26, 2008 PAC Registration

On September 26, 2008 I received a call from Ed MacColl, corporate attorney for Scarborough Downs, who had had a call that day from Ms. Justice. He informed me that Scarborough Village Partnership had to be registered as a PAC. I immediately went to town hall and picked up the registration form.

As the person responsible for handling the Scarborough Village Partnership bank account, I thought that I would be the logical choice for treasurer, and I assigned myself that duty. Gene Beaudoin was the spokesperson and consultant for the land development project, so I named him principal officer and decision maker. Penn National Gaming Inc. was the sole funding source for the campaign, so I named it primary fundraiser. I filled out the form and returned it to Ms. Justice at town hall.

With respect to the allegation that I did not file a financial report with the registration, I will say only that at the time I registered the PAC, Town personnel did not inform me of any requirement to file an initial campaign finance report, nor was I provided the reporting form at the time I was given the PAC registration forms. Although this does not by any means excuse my ignorance of the law in this regard, this experience with the Town's election officials left me with a very clear impression that by completing the PAC registration form on August 26th, SVP was fulfilling its obligations as a political action committee.

The Missed October 10th Filing Deadline

At the time I filed the PAC Registration on September 26th, I asked Ms. Justice when I would have to file financial reports, and I understood her to tell me that the first report was due on October 24th and she gave me a copy of MRS Title 21-A Chapter 13: Campaign Reports and Finances. On October 15th in a Portland Press Herald on-line forum response to an editorial about the Scarborough Village proposal, I read former town councilor Sue Foley-Ferguson's comment that SVP should be investigated for violations by the Ethics Commission for failing to file a PAC report due October 10th. I called Ms. Justice and told her about the comment, and asked if she was sure my financial report was due on October 24th. She said she was sure, but would call Jeremy Brown at the Ethics Commission for confirmation. She then called me back and said that Jeremy concurred with October 24th as the report due date. She added at that point that my report should include all my expenditures from the beginning of the campaign.

I subsequently received a letter from Ms. Justice dated 10/17/08, copied to Jeremy Brown, with the 11-day Pre-General Reporting Form and reiterating the report was due October 24th and further stating that as this was my first report, it should include all expenditures from the start of the campaign. (See enclosure #2)

With respect to the October quarterly report, I can only say that I reasonably relied on the advice of Town election officials and Ethics Commission staff. It may be that I did not phrase my questions of Ms. Justice and Mr. Brown as carefully as I should have, but I clearly understood from them that no financial report was due until October 24, which I now understand was not the case. I know I should have sought guidance from trained professionals, but Ms. Justice and Mr. Brown were genuinely helpful and I was confident that they were guiding me through the process well and that I was following their instructions.

The October 24 Report

On October 23rd, I began compiling the PAC report information. Per the instructions outlined in Ms. Justice's letter, conservatively I used August 12, 2008 as the beginning of the campaign as that was the date of the first deposit by Penn National Gaming in the SVP bank account. I included all checks I'd written on the SVP account to date on Schedule B-1, Operating Expenses, which includes payments for salaries. I called Ms. Justice to inquire how to reflect salaries that were not paid out of the campaign account. She referred me to Jeremy Brown. When I called Mr. Brown, he did not have a record of SVP as a registered PAC. He told me that with a municipal election that was not unusual, and he mentioned that he recalled speaking to Ms. Justice about our PAC. I explained that I was calling for help filling out the PAC form. He instructed me to include Gene Beaudoin's, Karen Vachon's and my salary in Schedule C, In-kind Contributions/Expenditures. I explained to him that I had been employed prior to start of the campaign, and Gene was a consultant for the land planning aspect of the project as well as the referendum, and I asked how I should differentiate those services on the form since not all compensation was directly linked to the referendum effort. I also noted that the report format only allowed one date of payment to each vendor to be entered, which does not reflect the accuracy of the salary schedule. He agreed the format was flawed and said something to the effect that that portion of the report format would be rewritten at some point. He instructed me to include my best estimate of salaries attributable to the referendum and to use the start date of the campaign as the date received. I completed the report and turned it in to the town clerk's office on the afternoon of October 24, 2008.

I had no further communication about the PAC report or its late filing until Sunday 11/30/08 when I read your email. I called you on Tuesday 12/2 and told you I was concerned about the charges and would respond in writing. I then asked if the hearing date could be rescheduled as I would be out of state on 12/29 and wanted to be present for the meeting of the commission panel.

Your letter of November 26 suggests that a penalty may be waived for the reasons outlined in section 1062-A section 2. I hope the Commission will take the following into account, each of which appears to be an appropriate consideration:

1. I have limited experience with PACs;
2. My goal was to maximize public knowledge of the effort to save harness racing and of the quality of the organizations that were involved; there was nothing that I wanted to keep from the public;
3. It may be that I did not phrase my questions of Ms. Justice and Mr. Brown as carefully as I should have, but I clearly understood from them that no financial report was due until October 24, which I now understand was not the case;
4. Ms. Justice and Mr. Brown were genuinely helpful and I was confident that they were guiding me through the process well and that I was following their instructions.

I would like to state on my own behalf that it is and was my intention to fully and completely comply with the rules governing political action committees and reporting deadlines, and once I was made aware of the registration requirements, I acted immediately to register the PAC and I believe I followed the instructions given to me by the Scarborough town clerk and by Commission staff for filing all reports.

If the Commission determines that a penalty for this late disclosure is warranted, I urge the Commission to accept the staff recommendation that the statutory maximum penalty of \$10,000 for late filings of other PAC reports apply in this situation. Although as I read it the statute does not specifically state that the \$10,000 cap applies to violations of the initial campaign finance report requirement, it is my hope that Scarborough Village Partnership will be considered in the same way as others that are subject to the cap for reporting violations. Not applying the cap to this violation will result in an astronomical fine of \$56,050 – an amount that is clearly “disproportionate to the level of the experience of the person filing the report or to the harm suffered by the public from the late disclosure.”

I apologize for any confusion, but I want assure you and the Commission that I tried at every turn to do the right thing in regard to reporting of requirements, to follow the rules and make full disclosure of the PAC's expenditures. And I thank you for your help in working with me.

Sincerely,



Kathryn Rolston

13 Appletree Lane

Cape Elizabeth ME 04107

Enclosures

1

Voters to decide on Scarborough Downs zone change

By Nate Jones
Staff Writer

Three years ago, Scarborough resident Bob Tourangeau was looking for a new career. With 25 years experience raising harness racing horses and only one mare left in his barn, Tourangeau said he was "ready to quit" the horse breeding business. That is, until the grand opening of the Hollywood Slots facility in Bangor.

of the proposed 500-acre "Scarborough Village" in the future. "Racines" help grow the business," he told Scarborough town councilors last week. "We are a positive industry and we deserve the right to be in business."

Fellow horse breeder Sarah Nobila said she also hoped to see the Scarborough Village project come to life, as attracting more people to the racetrack would result in more bets and increase the purse money received by horse breeders, jockeys and others. She said Scarborough Village would benefit many

other small businesses related to the field, including local blacksmiths, grain and hay providers and the many hands it takes to keep a barn running.

While the proposed development - featuring senior housing options, industrial and retail space and a potential \$8 million tax benefit to the town - has support from equestrians, other residents feel different about the project.

Scarborough resident Gary O'Donnell said he did not support the proposed Scarborough Village development for the sole

purpose of supporting "a failing business model." Scarborough Village Partners spokesperson Gene Beaudoin said the project could help the racetrack recover from a "teaching attendance" in past years.

"Scarborough Downs" is failing. Businesses go under all the time," O'Donnell said. "If the business isn't viable, it should fail. Let it go out of business."

Resident and business owner Jim Damico said he opposed the development due to his belief that a "town center," as the project has been referred to by Beaudoin - could not be purposefully created by a single developer.

"Main. Streets are historical, they take a long time and many different businesses," Damico said. "I know Main Street Walk Disney is not real, these developers don't seem to realize that. This is not Walt Disney."

Several other residents

said they agreed with the recent Scarborough Economic Development Corporation ruling that the Scarborough Village development was not in the best economic interest for attracting high-end retail and industrial developers. In response, Beaudoin said the first stage of construction would involve installing \$30 million in infrastructure - creating lucrative sites for future tenants.

"The reality is Fairchild Semiconductor is well aware of this project and is coming anyway," he said. Beaudoin said it would take less than one-fifth of 1 percent of the developer's total investment to build the proposed slot machine facility.

"We're very careful about where the money is going," he said. The town council approved adding the question concerning slot machines to a gambling facilities separate ballot available during the referendum.

"Ultimately it will be the next council that will have the final say," Beaudoin said. "Be careful what you hear."

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...to be approved by the town council. "Do you approve revising the Scarborough Village Ordinance to allow slot machines at a commercial racetrack and for the development of a new Scarborough Village on the 501 acres surrounding Scarborough Downs so long as the town receives more than \$8 million in annual revenue with the Town Council addressing security and other issues and reviewing the total of at least one million dollars of new annual revenues?"

The question referred the proposition signed by more than 100 Scarborough residents to hold approval in a referendum for Scarborough Village development on the May 4 public referendum ballot, above, could be different than the one presented at a referendum legal opinion. Robert Crawford said the petition was not specific enough and could be overlooked.

Councilor Judith Roy said she preferred the proposed ballot question "combining and possibly including" as it would result in suggested numbers - including a potential \$8 million in tax revenue - as a base. "They seem like pie in the sky numbers," she said. "It contains a mix of simple questions that the people can answer. People not or only able to qualify opinions of the question featured on the petition. It was written according to what I know. I have the council does not have the ability to recommend anything to the town - a duty only the town legal counsel can perform - and is obligated to validate the petition."

"This has a very small problem for the council," Councilor Sylvia Moss said. "We are being asked to vote 'Yes'."

Councilor Carol Hancock suggested the council address a recommendation "to pass or not to pass" on the ballot, but Crawford said Messer said it was possible she would prefer the town charter. Council Chairman Jeff Messer said he would like to see the town charter amended to allow a council recommendation from the ballot, however, he would not be in favor of adding a council recommendation from the state legislature, who will have to amend the charter.

Racino vote divides town leaders, attracts outside support

By Jonathan Hunt
Reporter

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SCARBOROUGH (Oct 24, 2008): With just two weeks left before the November general election, Scarborough voters must decide how to vote on a polarizing proposal for a 535-acre development around the Scarborough Downs horse racetrack that includes slot machines.

Scarborough voters defeated a smaller racino proposal in 2002, but the scope of the proposed \$200 million Scarborough Village project makes it either more appealing or more offensive, depending on whom you ask. Supporters cite its potential to bring in \$8 million of annual municipal revenues and boost the foundering harness-racing industry by bringing in more tourists and increasing purses at the Downs. Detractors have said they don't want more gambling in town and that the latest concept was brought along too quickly for the town to evaluate it properly.

The issue has even caused a contentious split among town leaders and brought outside backing for publicity campaigns from heavy hitters in Maine's wager wars, such as Penn National Gaming Inc. and CasinosNO!

"Somebody had to say something," said Mark Maroon, a former town councilor and outspoken opponent of Connecticut developer Gene Beaudoin's current proposal. "Saving Our Scarborough has been resurrected."

Saving Our Scarborough, a local citizens' group, helped derail the 2002 racino initiative, but it may have met its match.

Beaudoin, who brought the Cabela's retail project to the Haigis Parkway area, aims to create a mixed-use development with an "integrated downtown" or "Main Street" component comprising businesses, the slot-machine parlor, some residences and a revitalized racetrack.

Beaudoin said Friday the racino remains integral to his plans for two reasons — it would support Scarborough Downs owner Sharon Terry's efforts to operate the track at a profit, and it would bring in sufficient revenue to pay for major infrastructure work necessary to develop the site.

"Sharon Terry views the racino as the mechanism by which she can keep harness racing alive," said Beaudoin.

Beaudoin and Kathryn Rolston, a former Downs spokeswoman now working on an independent contractor basis as a slot-machine advocate for Penn National have enlisted Scarborough horse farmers Tim and Sarah Nehila in support of the racino. The Nehilas and other residents were paid \$7 dollars per signature to gather names for the petition that successfully put the racino issue on the 2008 ballot. The referendum would allow "operation of slot machines at a commercial racetrack" in the B-2 zone with certain stipulations, including the \$8 million in annual town revenue.

At their farm Sunday, Sarah Nehila described raising racehorses as an expensive and time-consuming venture, but one the family hoped to continue at their farm.

"We built it in '96, but it was my great-grandparents' land," said Nehila about the farm.

Rolston speculated that Terry's devotion to preserving harness racing could eventually force her to move the track out of Scarborough if racino support were not forthcoming. She offered no specific alternative.

Beaudoin estimated that about \$20 million of utilities improvements and other site preparations, roughly 10 percent of the total project cost, would be necessary. Slot machines would up the ante, so to speak, and provide enough money for what he called massing, or having a large enough project to succeed.

"Massing is the key," said Beaudoin. The slots parlor would cover less than one-fifth of 1 percent of the whole development site, he noted, but the racino revenue would be "the switch that turns it on."

According to Beaudoin, the Scarborough Village Partnership political action committee intends to submit a report by Oct. 24 with expanded details of its contributions and expenditures. PACs are required to file with the state if they raise or spend more than \$1,500. He noted that CasinosNO!, the statewide political action committee organized against larger casino proposals around Maine, was now running anti-racino ads targeted at Scarborough Village on cable television. Rolston said Sunday that the slot-machine supporters would soon purchase and run their own ads.

A document filed at the Scarborough town clerk's office on Sept. 26 indicated that funding for the pro-slots campaign had thus far been provided by Penn National and Beaudoin, but it contained few other details.

Dennis Bailey, CasinosNO! executive director, confirmed Friday that his group bought the new anti-racino ad and had also hired a field organizer in Scarborough.

"We're helping them out down there," he said.

According to Bailey, opponents mishandled the ballot issue that allowed Penn National to open Hollywood Slots in Bangor several years ago because "nobody really realized that that meant a full-blown racino year round," and he hopes to avoid inattention to the current Scarborough situation.

The only two listed contributors to CasinosNO! during September, according to its PAC report, were two Scarborough-area residents. Merton Henry, of Scarborough, gave \$200, and Richard Kurtz, of Cape Elizabeth, donated \$10,000. Henry and Kurtz, however, have long been involved in efforts to stop Maine casinos, said Bailey.

Maroon and Bailey each believe that Scarborough Town Council Chairman Jeffrey Messer has crossed over into supporting Scarborough Village as proposed, but Messer insisted on Sunday that he remains officially neutral and merely wanted the best facts put before the public. Messer's 30-minute presentation at the Oct. 15 Town Council meeting focused almost entirely on the racino's potential benefits and refuting Maroon's concerns.

Messer estimated that of the \$8 million in annual town revenues, \$1.5 million would come from real estate taxes, \$500,000 from personal property taxes and the balance from the gaming revenue. During the presentation, Messer also slammed the accuracy of some of Maroon's claims about community problems with slot machines, calling them "scare tactics" that were "disgusting" or "inflammatory."

Messer said Sunday that his position had "evolved" after reviewing project details and seeing opponents become too "emotional," and that voters shouldn't ignore the racino's ability to help build capital improvement projects such as an intermediate school, a public safety building and a recreation center.

"This project could pay for all of those things and more and still lower taxes," Beaudoin said.

"I'm not endorsing the proposal outright," said Messer, who will step down from Town Council next month due to term limits. "There's plenty of reasons if people want to vote no," he acknowledged, while disagreeing with Maroon's statistics about social costs of gaming facilities.

"A racino doesn't bring quality of life, it doesn't bring good-paying jobs ... based on our combined experience, our combined research," countered Maroon.

Even if a slot parlor doesn't drive up the measurable costs of enforcing drunken-driving and petty-crime laws, he added, "There's a big difference between the social costs and the police costs of something."

If Messer and Maroon agree on anything, it might be that preserving harness racing is not one of their goals.

"Is it the town's job to help someone who has a horse racing business?" asked Maroon rhetorically.

"I don't really care about harness racing," said Messer. "I didn't (in 2002), and I don't now."

Messer noted that the Maine State Lottery and bingo are existing forms of gambling, and that because of the racetrack, "Scarborough was the only town in Maine that allowed gambling for a long time."

He emphasized that the racino, even if approved by Scarborough voters, would then have to obtain approval from the governor and the state Legislature. Town councilors would then negotiate a host agreement with the developers before putting that agreement before voters via a second referendum. Messer also stressed that he inserted language into a motion passed by the Town Council earlier this month to ensure a second round of voter approval.

"Under state law, the town can ask for as much as it wants," acknowledged Beaudoin.

But Maroon believes Beaudoin has been inflexible about including slot machines in the development by saying that without the gaming component, no project would get built, a position he likened to drawing a line in the sand.

Based in Westbrook, Reporter Jonathan Hunt can be reached at 207-854-2577 or by e-mail at jhunt@keepmecurrent.com.

Letters: Scarborough Downs slots (Oct. 17, 2008)

Posted by Leader Editor at [10/17/2008 12:52 PM](#) and is filed under [Opinion Letters, Election 2008](#) 

Urging residents to vote yes on Question 1 Nov. 4

Editor:

It has been five years since we had an opportunity to first vote on a racino for Scarborough Downs. At that time I was decidedly against the proposal and was happy to see it go down in defeat. However, things have changed for me and the town during the ensuing years and I find myself compelled to write now in favor of the Scarborough Village proposal. I understand that it is a very emotional issue for both sides of the argument and, as a result, rationality is being lost. I do believe if you carefully weigh the arguments being made it is clear that the overall benefit to Scarborough will be positive.

Opponents of the development claim that it is not economic development. Of all the arguments made this one puzzles me the most. If it isn't economic development then what is it? I believe it isn't the type of economic development they would like. Sure, it would be great if manufacturers were lining up to set up clean, green factories in Scarborough but the truth is they aren't and they won't. Manufacturing in the U.S. and Maine especially has been on the decline for years and there is nothing to indicate this trend is going to change. And Maine isn't likely to see other industries such as insurance and financial companies rush to get in. It is true there are pockets of unique industries in the town and state, the company I work for being one. Most of these businesses are entrepreneurial in nature and only offer modest economic impact for the towns in which they are located. None of them would yield the potential magnitude of growth offered by the Scarborough Village proposal. The truth of the matter is that Maine is primarily a tourist destination and anything that will expand that base and bring more tourist dollars to Scarborough is good for Scarborough.

Another puzzling argument for me is that Penn National Gaming is a large, evil (by some arguments), out of state corporation that will send all of the money earned out of state. This simply is not true. Both Scarborough and Maine would regulate the racino heavily and both would gain significant tax revenue. This tax revenue would help to fund the multitude of projects the town and state must do. Our roads and schools are crumbling and nobody wants to raise taxes to fix the problems. We must look to other sources of revenue. The opponents like to paint Penn National as a huge, greedy corporation. Well, Penn is a large corporation who, like all companies in a capitalistic society, are in the business of making money. So are Bank of America, IBM, and Hewlett-Packard. If one of those companies was looking to set up shop in Scarborough

you would never hear that they were going to send all the profits out of state. If we are to open a racino, Penn is exactly the type of company we would want involved. They know the industry and would work hard to make it a success.

A troubling argument I have heard against the development is that, with the decline in harness racing, we should just let Scarborough Downs die. This saddens me. What were people saying when the shoe and textile industries were dying? No one wanted to see those jobs leave and many families were affected. If we had an opportunity to keep those industries and actually expand them wouldn't we have done it? Scarborough Downs is in that exact situation. Failure to find ways to expand their income will mean the loss of jobs in a multitude of support industries such as food service and farming. By adding a racino they can secure the existing jobs and offer new opportunities to others. This model has worked successfully for race tracks all over the United States and it will work here.

What about the proximity of the track to the schools? Well, I think others have made it clear that gambling exists right in the backyard of our schools in the form of lottery sales at the nearby convenience stores. While I rarely play the lottery, I certainly can't miss the racks of colorful tickets over the counter when I buy a gallon of milk at Cumberland Farms. Kids are far more likely to be passing through there or the Exxon station or the Mobil station than Scarborough Downs.

What about crime? Any major economic development that brings more people into an area will likely bring an increase in crime with it. Does that mean you don't do the development? I don't think so; instead you prepare for it. I believe that many of the opponents to the project are subliminally referring to an increase in organized crime. The facts just don't bear this out. Look at successful models such as Saratoga Springs in New York or Dover Downs in Delaware. These tracks enhance the communities in which they are located.

On Nov. 4 we must decide this issue rationally. When you carefully consider how this project can benefit Scarborough for the long term I think you may change your mind as I have. Please join me in voting yes on local municipal Question 1.

Peter Vachon
Scarborough

Gambling revenue will benefit town

Editor:

Scarborough residents: Have you purchased a lottery ticket? Does your child play hockey? Do you enjoy the Lion's Club dinners? Do you appreciate the fine work of Project G.R.A.C.E.? Have you noticed that those Texas Hold'em's are the best way to generate much needed revenue for a group or organization? This is gambling revenue working to benefit many fine organizations-- in one

way or the other. If people didn't like to gamble, we wouldn't be talking -- would we?

So really, who has more business being in the gambling business? The State of Maine -- with the Maine State Lottery introduced in 1974? Or Maine's 150-year-old harness racing industry who introduced the first form of legal gambling? Let Maine's harness racing industry grow and compete!

The Downs and the town of Scarborough have hosted gambling longer than any other town around here. They are a part of our community. They support the local community; Giving in many ways. Allowing them to add slot machines will mean that we will finally have a way to afford a community center and new schools without having our taxes go up. And, the project will also bring more business and jobs. This will not take away from the many fine organizations that benefit from gambling money: Scarborough Downs gives generously to these organizations, and has throughout their 58 year history of doing business in this town.

They have a proven track record and they also have a lot more to give the community. We all will benefit. Vote yes on local referendum #1.

Evelyn Tarbell
Scarborough

Give Scarborough Downs project time to mature

Editor:

I'd like to add my voice to those that are in support of the Scarborough Village Project. I am not a gambler. I don't play the lottery. I don't go out of state to the casinos. I don't go to Bangor to play the slots. I don't use the illegal slot machines that are all over Maine. And, I don't bet on the races at Scarborough Downs, which has been going on right here for more than 50 years. The video slot machines as proposed by the Downs appear to be a very small part of a project that can enhance Scarborough's future as a town with lower taxes and great schools.

Our schools need repairs and replacements and from where I sit I do not think the mood in Scarborough will support higher taxes for schools, a new public safety building, or any other building for that matter. There is a fine point not to be missed in this debate. "Gaming taxes" or taxes collected of the income from betting do not affect the school state aid formula and therefore drop right to the bottom line of the Scarborough town budget. If the new gaming facility at Scarborough Village only does \$125 million in annual revenue the town's share would be \$6 million. This is in addition to any real estate taxes generated by the entire project, estimated at about \$2 million. Remember the town's budget is roughly \$50 million.

Here is the only hard choice in the matter: Should we freeze property taxes for several years, reduce property taxes by more than 10 percent, or replace all of the schools that need to be replaced.

I visited Foxwoods once. I did not gamble one penny but I ate in the restaurants and purchased items in the gift shops. I have been to Las Vegas and Atlantic City for conferences. I spent money on hotels, food, and shopping. I am not a gambler. Voting yes is just the beginning step in a very long process. In the end I may not favor the project, but I am cautious about cutting off the process before it really begins. Let us give the project time to mature.

Annalee Rosenblatt
Scarborough

Perplexed about the situation

Editor:

This is in response to Karen Vachon's letter in the Oct. 3 edition of the *Leader*. She addresses many points that are salient regarding whether or not it is a "good idea" to invite Penn National to join with Scarborough Downs and offer our community a racino. However, I am going to only address one of her last points because I too am perplexed.

Vachon refers to gambling in our state as already present and "...it is consumer response that drives an industry (otherwise know as demand)." Therefore, if there is a consumer demand for something, business has a right to respond to it. Following that line of thinking, there is demand here in Scarborough for underage sale of cigarettes. Ask any teenager in Scarborough High School (I have). It is already present here in our state and has had a long history (since at least the mid-1800s).

Because there is a demand for cigarettes, my friend from Massachusetts wants to meet that demand. It would require no infrastructure output from the town or state, no changes to the zoning, no parking issues, and he would be happy to donate a percentage of his profits to the Scarborough schools so that they could offer more art classes to the students kindergarten through grade 12.

Yikes. I too am perplexed.

Abi Ordway
Scarborough

We don't want 'adult uses' after racino

Editor:

A town council member said in a recent e-mail to a concerned parent, "I wouldn't lose any sleep over this issue" regarding the potential for strip joints being introduced into Scarborough due to the slots.

Well, first of all, the issue has come up in the past and a moratorium was put in place to work out a solution in 2002. It was recognized that the town's lack

of an ordinance exposed (excuse the expression) it to allowing a strip joint so a well crafted ordinance was established that met the need for providing a limited appropriate location while meeting the state and federal anti-discrimination / free speech laws. That ordinance has held up well for the last seven years.

Now comes Penn National with a plan for a Racino in the "Center of Town." They use Saratoga Springs as the benchmark so of course, I started my exhaustive study of that town. Come to find out, they are being challenged with a business that wants to have a strip club even though they have had an ordinance that has stood the test of time and kept them out of town, just like ours.

What they determined is that they are "exposed" too. But for a new reason; the town has changed much in the last 10 years since the racino, and the racino has created an "Adult Uses Area." The town looks at numerous locations but determines that the "best" site is...the Adult Uses area. Yes, the property near the racino. In the planning board meetings there are many concerned homeowners and parents hoping to make an argument to keep more disruption, insecurity and lost quality of life out of their neighborhood but it is pointed out that this is the most logical location. After all, they say, we already have adult uses there. The good news for them, if you want to call it that, is that the casino is not "The Center of Town." Our racino is the center of town, already being nicknamed "Downtown," not the quaint name I was hoping for.

Now, I have been accused of using fear tactics on this issue. Why? I'm not sure because it appears rather self-evident that there is a link between adult uses and say, adult uses, if you get the point, but here is my logic for any and all to challenge.

Q. Why are Adult Uses an allowed use?

A. Adult Uses are legal businesses in Maine and must be allowed under state and federal anti-discrimination/free speech laws.

Q. Our ordinances seem pretty restrictive; we don't have strip joints now, so why should I care?

A. It was written to be restrictive because we had no similar uses or appropriate locations established that would require fair treatment. We still had to allow them but nothing says we can't tightly regulate where they go.

Q. Where can Adult Uses go and what is an appropriate location?

A. An appropriate place would be in a similar zone to another Adult Use but with reasonable distance standards. This potentially expands the area as opposed to narrowing it. Another Adult Use, at least in NY, has been established to be the Saratoga Springs Racino (not finalized as I write this but was the choice of the board). Now, understand that the Race Track in Saratoga didn't meet the standard of "Adult Use Only" just as The Downs doesn't trip

If there is one thing that has been made certain by the ongoing crisis in the financial and credit markets, it's that any existing development or revenue projections made as part of the "Town Village Center" proposal are a complete fantasy.

Economists are projecting a long and painful economic downturn. How attractive is gambling going to be as an entertainment option to someone who is worried about heating their homes, putting food on the table or keeping their jobs – a situation far too common right now.

Penn Gaming and Gene Beaudoin will tell you that gambling is recession-proof. Don't believe it. According to the Oct. 9 edition of the *Hartford Courant*, Foxwoods just announced the layoff of 700 workers. And last weekend Mohegan Sun abruptly halted construction of its partially completed expansion. Slot machine revenues are down at both casinos.

With empty store fronts in the Cabela's development and a huge inventory of vacant or grossly underutilized commercial property along Route One and Haigis Parkway, we need to ask ourselves how, with a wrecked credit market and much more desirable property available, is Scarborough Village Partners going to raise the massive amounts of capital needed to make their promises a reality?

What does all of this mean? If voters do end up approving the so-called "Town Village Center", there will be scant tax revenues. Farms will not be saved. And there will be no investment in anything but slot machines at Scarborough Downs for a long, long, time – if ever. Don't buy into the fantasy being sold to us by Scarborough Village Partners. The stakes are too high.

David Nitchman
Scarborough

Flaherty opposes racino in town

Editor:

As I campaign door to door in our town, I hear many concerns ranging from energy costs to potholes. But one issue continues to be brought up on porches and sidewalks across our town: a racino in Scarborough.

Most people I speak with have no issue with Scarborough Downs. Harness racing has been an important part of Maine's history as an agricultural state and Scarborough Downs has been a fixture of our community. But what is worrying people is the inclusion of video gambling in the form of slot machines here in our own town. I share their concerns for a number of reasons.

One concern I have is the proximity to our schools; Wentworth, the middle school and the high school are all within blocks of Scarborough Downs. With gambling comes consumption of alcohol, which impairs drivers. Our

our regulations as long as there is no Racino. Throw in the racino to the equation and it strips our ordinance (there I go again).

Q. Might we end up having strip clubs in our town?

A. Saratoga Springs will be allowing these strip joints in their town and likely near the track. They don't appear to believe they have much of a choice. Now remember, they can be well paying jobs! It isn't exactly high tech. but it also isn't laundry service or vacuuming at the new racino or its hotel so it probably pays better than that.

My opinion is that at the very least, we will be in a lawsuit relatively soon after the slots are here and we will have little choice but to allow these joints in picturesque Scarborough. But, according to at least one councilor, "I wouldn't lose any sleep over this issue."

I hope our councilors do lose sleep over it until they can answer that question without the specter of a lawsuit. I believe we would lose. Just another reason to vote no, because nothing is ever free. We all really know it, we just want to believe otherwise. Some call this using fear tactics. I call it thinking.

Mark Maroon
Scarborough

Slots will not help town economy

Editor:

The notion that Scarborough Village Slots will help the economy of this town is a fallacy. I will admit that I almost fell for lies that Penn National is promising us: monies for a new school, a community center and lowering our taxes. Then I decided to do some research. When I googled the phrase "casino and economic effect" I came up with study after study showing that there are no long-term economic benefits of having a casino in ones backyard. Of particular interest were the reports compiled by the Federal Reserve Bank of Boston: (www.bos.frb.org/economic/neppc/memos/2006/brome091906.pdf), the Federal Reserve Bank of Saint Louis: (www.stlouisfed.org/news/releases/2003/01_02_03.html) and the information shared by People Against a Casino Town (www.pactoregon.org). In the end, most of the towns that allowed the casinos came to regret their decision after it was too late. We're privileged that the choice is still ours; let's learn from the mistakes of others, recognize the negative impact that the racino will have on our town, and ultimately vote against it.

Jennifer Labonte
Scarborough

Don't buy into proposed 'fantasy'

Editor:

community uses facilities at our schools throughout the evenings for sports, clubs, and more.

Another concern I have is the type of economic growth we are supporting in town. I am always pleased to see more businesses in town, but I am fearful when very few good paying jobs come with the development. We need to be supporting growth that will be dependent on consumers, not gamblers.

If the referendum does pass, it still must be approved by both the Legislature and the governor. I will continue to oppose the plan in the Legislature to prevent slots from coming to our town. More importantly, I will be a leader on the issues important to our town and not take a back seat on the tough ones.

Sean Flaherty
Scarborough

Don't 'gamble' with the future

Editor:

On Nov. 4, the citizens of Scarborough must declare their positions concerning Scarborough Downs proposal to amend the zoning regulations to allow for slot machines. As a resident of Scarborough and a small business person, I stand firmly opposed to this proposal for several reasons.

Scarborough is a family friendly community. It provides a safe, welcoming environment in which to raise a family and operate a business. In my opinion, the addition of a racino operation and the associated publicity would cloud the town's current status and result in a new perception of Scarborough as an East Coast gambling destination. This new identification may diminish the town's attractiveness both to young families and to businesses valuing family-oriented lifestyles.

While there may be some economic development benefits from a racino, Scarborough with the assistance of SEDCO, has been doing a great job of acquiring new businesses such as Cabelas, Fairchild Semiconductor, Lowes, Prime Motors, and others. Partly due to this success, our tax rate is the lowest among similar area communities. While the Scarborough Downs property is undeveloped, it would seem to me that through the natural course of time that this property will be developed thoughtfully and that we do not need to jeopardize our town's future with a racino. Additionally, national statistics concerning the impact of new gambling facilities on existing local businesses are mixed, suggesting that some businesses may be impacted negatively. This factor in itself would raise a cautionary flag as to the wisdom of developing a racino.

Finally, I am concerned about the potential for an increase in crime. While the crime statistics from the recently opened Hollywood Slots do not seem alarming, Earl Grinols from the University of Illinois, a noted researcher on

gambling related crime nationally, suggests that crime has a lag period of 5 to 7 years. His findings suggest that a rather significant increase in crime, including robberies, larceny, burglary, aggravated assault, and auto theft is experienced within that period in communities developing gambling facilities. While the specific numbers could be debated, to me the trend is impressive and problematic.

I realize that this is a contentious and somewhat ambiguous issue on which neighbors may not agree. I believe, however, that the risk factors inherent in a racino operation far outweigh the potential economic benefits and that the town would be well served not to "gamble" with its future.

Jim Elkins
Scarborough



JOIN US!

The Scarborough Village Partnership
Wants to Include You

Tuesday, August 19, 5:30 - 7:30 pm

Public Information and Input Meeting

The Downs Club Restaurant at Scarborough Downs

Route 1 or Payne Road, Scarborough

Clubhouse Building, 3rd Floor

Light refreshments will be served

Resident participation is critical in shaping the Scarborough Village mixed-use plan:

- ★ See the concepts for the property as outlined recently to the Town Council
- ★ View a slide presentation of other town center developments
- ★ Tell us how you'd like the village center to serve your needs
- ★ Ask about the proposed gaming facility and how it can benefit harness racing and the town

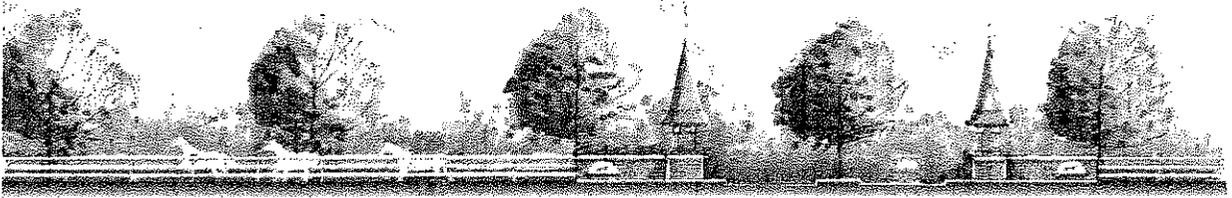
Who is participating in the Partnership?

Scarborough Downs' owner, Sharon Terry, development and land-planning professionals, and, most importantly, any resident willing to express an opinion.

For more information or to join the Public Meeting:
Email Susan Higgins at shiggins@scarboroughdowns.com
Or call the Scarborough Village Partnership office at 510-1911



*Appeared in The Current, Scarborough Leader, and Fore and Aft
weekly newspapers.*



"What's In It For You?"

The proposed Scarborough Village mixed-use development and gaming facility at Scarborough Downs will contribute over \$13 million in new annual tax revenues for the town of Scarborough.

This money may be used by the town to fund important capital improvement projects such as:

- *New Police and Fire Department*
- *Wentworth Intermediate School replacement*
- *Community Center*

The plan will also help Scarborough deliver on the promise of the Comprehensive Plan for balanced growth.

What would you like to see included on the Scarborough Village mixed-use plan?

Join us at our next public input meeting on September 17 at Town Hall Chamber Room from 5:00-6:45 p.m.

**Scarborough Village Partnership
7 Plaza Drive Scarborough
For more information call: 510-1911**



Ad appeared in The Current, Scarborough Leader, and The Forecaster weekly newspapers.

MINUTES

SCARBOROUGH TOWN COUNCIL

WEDNESDAY – SEPTEMBER 17, 2008

REGULAR MEETING – 7:30 P.M.

Item 1. Call to Order. Chairman Messer called the regular meeting of the Scarborough Town

Council to order at 7:31 p.m.

Item 2. Pledge of Allegiance.

Item 3. Roll Call. Roll was called by Yolande P. Justice, Town Clerk. Ronald W. Owens,

Town Manager, was also present.

Ronald D. Ahlquist, Vice Chair Michael J. Wood

Carol S. Rancourt Judith L. Roy

Richard J. Sullivan, Jr. Sylvia J. Most

Jeffrey A. Messer, Chair

Item 4. Minutes: September 3, 2008 – Special Meeting and September 3, 2008 - Regular

Meeting. Motion by Chairman Messer, seconded by Councillor Rancourt, to move approval of the September 3, 2008, special meeting of the Scarborough Town Council, as written.

Vote: 7 yeas.

Motion by Chairman Messer, seconded by Councillor Most, to move approval of the September 3, 2008, regular meeting of the Scarborough Town Council, as written.

Vote: 7 yeas.

Item 5. Items to be signed: a. Treasurer's Warrants. Treasurer's warrants were signed during the meeting. Chairman Messer asked the Council if they would object to take Resolution 08-14 prior to the public hearings. With no objection from the Council, Councillor Roy to read Resolution 08-14 into the record, as follows:

Resolution 08-14. Recognition of the Girls Little League Championship win. Motion by Councillor Roy, seconded by Chairman Messer, to move approval of Resolution 08-14, in recognition of the Girls Little League Softball All Star Team.

RESOLUTION 08-14

Scarborough Girls 11-12 Little League Softball All Star Team

BE IT RESOLVED by the Council of the Town of Scarborough, Maine, in Town Council assembled that,

WHEREAS, the Scarborough Girls Little League Softball All Star Team did invest many hours of training in preparation for the 2008 District 6 Little League Championship; and,

WHEREAS, the Scarborough Girls Little League Softball All Star Team did compete and win the 2008 District 6 Little League Championships; and,

WHEREAS, the Scarborough Girls Little League Softball All Star Team did invest many hours of training in preparation for the 2008 State of Maine Little League Championship; and,

WHEREAS, the Scarborough Girls Little League Softball All Star Team did compete and win the 2008 State of Maine Little League Championship; and,

WHEREAS, the Scarborough Girls Little League Softball All Star Team did invest many hours of training in preparation for the 2008 New England Little League Championship; and,

Carol S. Rancourt Judith L. Roy
Richard J. Sullivan, Jr. [Absent] Sylvia J. Most
Jeffrey A. Messer, Chair

Order No. 08-125, 7:30 p.m. Public Hearing on a referendum question, submitted by petition, to amend the Scarborough Zoning Ordinance, Section XIX, Subsection B and D. Prior to re-opening the public hearing Chairman Messer gave a brief overview on the process that had been followed and what the process would be from this point forward. Chairman Messer then re-opened the public hearing at 7:05 p.m.

The following individuals spoke on this order: Joe Arnold of 113 Payne Road; Tom Sesto of 177 Spurwink Road; Gene Beaudoin the Developer; Dwayne Hopkins of 145 Old Blue Point Road; Jen Mains a resident and teacher from Westbrook; Bob Nadeau of 19 Evergreen Farms Road; Susan Higgins of 56 Baywood Lane, Yarmouth and an employee of Scarborough Downs; Ernest Lowell of Scarborough; Karen Vachon of 25 Ocean Avenue; Jim Shark of 90 High Point Road; Mark Follansbee of 33 Arbor View Lane; Rick Loisel of 7 Sextant Lane; Nancy Jones of 126 Broadturn Road; Leroy Crockett of 127 Sawyer Road; Bob Dyer of 11 Libby Street; Judy Lim of 34 Fengler Road; David Nitchen of 6 Hidden Creek Drive; David Darling a Scarborough property owner; Peter Vachon of 25 Ocean Avenue; John Zink of 10 Hidden Creek Drive; Phil Rowe of 8 Carriage Way; Ed MacColl 78 Well Road, Cape Elizabeth and attorney for the project as well as Sue Foley-Ferguson of 331 Black Point Road. There being no further comments, Chairman Messer closed the hearing at 8:31 p.m.

OLD BUSINESS:

Order No. 08-128. Act on the request to set the date, time, and location of the Special Municipal Referendum Election for Tuesday, November 4, 2008, on the proposed referendum question, attached to this order as Exhibit A and the polling place shall be Scarborough High School Plummer's Gym and the polling hours shall be from 6:00 a.m. to 8:00 p.m. Motion by Chairman Messer, seconded by Councillor Ahlquist, to move approval to set Tuesday, November 4, 2008, as the date for a special municipal election on the proposed referendum question to amend the Scarborough Zoning Ordinance, Section XIX, subsections B and D, as examined and corrected by the Town Attorney, the polling place to be High School – Plummer's Gymnasium and the polling hours shall be from 6:00 a.m. to 8:00 p.m., with the understanding that the Council considers this referendum to affect the Scarborough Zoning Ordinance only and that any specific proposal for slot machines would require an additional, separate Town referendum vote in accordance with State law, and with the further understanding that the Council opposes any changes to State law which would allow slot machines to be operated within Scarborough without an additional, separate Town referendum vote.

Exhibit A

Referendum Question:

Shall the Ordinance entitled "Amendments to Section XIX (Regional Business District B-2) of the Scarborough Zoning Ordinance Allowing Operation of Slot Machines at Commercial Racetracks pursuant to an Agreement with the Town Council Concerning Security and Revenue Sharing and Adoption of Town and Village Centers (TVC) Standards in Certain Sections of the B-2 Zone" be approved?

The full text of the proposed ordinance appears below:

AMENDMENTS TO SECTION XIX (REGIONAL BUSINESS DISTRICT B-2)
OF THE SCARBOROUGH ZONING ORDINANCE
ALLOWING OPERATION OF SLOT MACHINES AT COMMERCIAL RACETRACKS
PURSUANT TO AN AGREEMENT WITH THE TOWN COUNCIL CONCERNING
SECURITY AND REVENUE SHARING AND ADOPTION OF TOWN AND VILLAGE
CENTERS (TVC) STANDARDS IN CERTAIN SECTIONS OF THE B-2 ZONE

proponent. Chairman Messer opened the public hearing. The following individuals spoke on this

Order: Mark Maroon of Evergreen Farm Road spoke in opposition of this proposed referendum; Martin Tripp of 26 Ocean Wood Drive spoke in favor of this referendum; Karen D'Andrea of 40 County Road spoke in opposition of this referendum; Jen Mains resident of Westbrook, but a member of a Scarborough Church spoke in opposition; Harvey Rosenfeld, President of SEDCO, spoke in opposition of this proposal; Brian Freccero of 3 Meeting House Road noted that he supports the process and let the voters vote in November; Gary O'Donnell of 19 Pine Ledge Drive does not support this recommendation; Jim Damicis of 11 Hampton Circle opposes the zone change but not the vote; Robert Dyer of 11 Libby Street supports the proposal; Sara Nehila of 97 Holmes Road supports the proposal and invited the Council to open Farm Day on October 19th from noon to 4:00 p.m.; Tom Beals of 4 Juneberry Lane spoke in opposition to this proposal; Bob Tourangeau of 1 Burnham Woods Circle spoke in favor of this referendum; Abbie Ordway of 11 Burnham Woods Circle spoke in opposition; Rick Loisel of 7 Sextant Lane spoke in opposition; Art Dillion of 180 Black Point Road spoke in opposition; Gene Beaudoin – developer of certain areas of the Haigis Parkway and of this proposal, spoke on the opportunity that this proposal would bring; David Benaman of 105 Spurwink Road spoke in opposition; Harry White of 135 Running Hill Road spoke in opposition and Fred Kilfoil resident of Portland spoke in opposition of this item.

A five-minute recess was called by the Council Chair. Chairman Messer reconvened the meeting at 9:12 p.m.

OLD BUSINESS:

Order No. 08-94. Second reading on the proposed amendments to Chapter 405, the Zoning

Ordinance to establish a Running Hill Mixed Use District (RH). Dan Bacon, Town Planner,

gave a brief overview on this Order as well as the on Order No. 08-95. The following individuals

spoke on this Order: Harry White of 135 Running Hill Road indicated that he could not locate the

changed documents on the website and could not address the changes and Frank Smart of 25 New

Road voiced concerned regarding the traffic issue.

MINUTES

**SCARBOROUGH TOWN COUNCIL
WEDNESDAY – SEPTEMBER 24, 2008
SPECIAL MEETING – 7:00 P.M.**

Item 1. Call to Order. Chairman Messer called the special meeting of the Scarborough Town Council to order at 7:00 p.m.

Item 2. Pledge of Allegiance.

Item 3. Roll Call. Roll was called by Yolande P. Justice, Town Clerk. Brian A. Smith, Acting Town Manager, was also present.

Ronald D. Ahlquist, Vice Chair Michael J. Wood

Be it hereby enacted by the voters of the Town of Scarborough pursuant to Section 903 of the Council-Manager Charter of the Town of Scarborough that the Zoning Ordinance of the Town of Scarborough, Maine is amended as follows:

Section XIX(B)(3) (concerning permitted uses in the Regional Business District B-2) is amended by adding the underscored language as shown below:

Fully enclosed places of assembly, amusement, culture and government, exclusive of video arcades, amusement parlors, video gambling, casino gambling and off-track betting, except that operation of slot machines at a commercial racetrack is permitted provided such operation conforms to Maine law and is conducted pursuant to an agreement with the Scarborough Town Council that provides a security plan for the premises on which the slot machines are located and assures that the town will receive at least eight million dollars of new annual real estate, personal property and gaming tax revenues.

Section XIX(B) is further amended by adding the following new permitted uses:

15. Any use listed as a permitted use in the Town and Village Centers District (TVC), provided such use is located in the "Crossroads Mixed Use Development District" as described in Chapter 6 (Future Land Use Plan) of the Town of Scarborough Comprehensive Plan.

16. Senior housing.

17. Cross-country ski areas.

Section XIX(D) (Space and Bulk Regulations in the B-2 District) is amended by adding the new introductory paragraph shown below: Buildings located in those portions of the B-2 District identified as the "Crossroads Mixed Use Development District" as described in Chapter 6 (Future Land Use Plan) of the Town of Scarborough Comprehensive Plan and containing only uses listed as permitted uses in the Town and Village Centers District (TVC) may comply with the space and bulk requirements for the Town and Village Centers District. All other buildings, structures and uses shall comply with the following space and bulk requirements:

Vote: 5 yeas. 1 nay (Councillor Rancourt)

Item 4. Adjournment. Motion by Chairman Messer, seconded by Councillor Wood, to move approval to adjourn the special meeting of the Scarborough Town Council.

Vote: 6 yeas.

Meeting adjourned at 8:48 p.m.

Respectfully submitted,

Yolande P. Justice

Town Clerk

TOWN OF SCARBOROUGH

Office of the Town Clerk
P.O. Box 360
Scarborough, ME 04070-0360
207.730.4020
Fax: 207.730.4033

October 17, 2008

Scarborough Village Partnership
ATTN: Mr. Gene Beaudoin, Principal Officer
7 Plaza Drive
P.O. Box 367
Scarborough, ME 04070-0367

Dear Mr. Beaudoin:

Enclosed you will find the 11-Day Pre-General Reporting Form that is due on Friday, October 24, 2008. Pursuant to State Law a Political Action Committee must register with the Municipal Clerk's Office, on local initiates, within 7 days of accepting contributions, incurring obligations or makes expenditures in the aggregate in excess of \$1,500. Therefore, with this being your first report with the Clerk's Office you are required to go back to the beginning of the campaign and cover everything that brought you up to the \$1,500 to the present date.

Also, enclosed is a copy of Chapter 13, from Title 21-A of the Maine Revised Statutes. Please review and note subsection 1014 regarding publications and distribution of political communications. Certain items must clearly and conspicuously state that the publication and communication have been so authorized and state the name and address of who is financing these items. Campaign signs are just one of these items that must be clearly marked.

Non-compliance of Title 21-A, Chapter 13, could result in fines and penalties. Should you have any questions, please feel free to contact me at 730-4020.

Sincerely,


Yolande P. Justice, CMC
Town Clerk

Enclosures

pc: Kathryn Rolston, Treasurer [without enclosures]
Jeremy Brown - PAC, Party and Lobbyist Registrar
Commission on Governmental Ethics
and Election Practices [without enclosures]

Town of Scarborough, Maine

U S ROUTE ONE, PO BOX 360
SCARBOROUGH, MAINE • 04070-0360

January 20, 2009

Mr. Jonathan Wayne
Executive Director
Maine Ethics Commission
135 State House State
Augusta, Maine 04333-0135

RE: Scarborough Village Partnership PACS [the Group]

Dear Mr. Wayne:

Contained in this letter is my recollection [to the best of my knowledge] the events that transpired with regards to the Scarborough Village Partnership PACS.

In late July of 2008, the Town Manager [Ron Owens] mentioned that we could possibly have a petition coming forward with regards to the Downs property and asked me a few questions as to what the process would be for the question to be placed on the ballot in November.

In August of 2008, the Clerk's Office was made aware that there would be a petition circulated by Scarborough Downs requesting a zone change to allow slot machines at commercial racetracks. It was my understanding that the Town Manager and Council or Council member, were having discussions with representatives of Scarborough Downs regarding this item. The Town Manager and Town Attorney, along with the Town Planner, worked with the Group with regards to the proposed wording that would appear on the ballot. During my conversation with the Town Manager about the petition deadline, I had indicated that the Group should file a PACS with the Clerk's Office.

I believe it was in mid-August when Ms. Rolston came into the Clerk's Office with a copy of the petition that would be circulated for signatures and asked if petitioners would be allowed to collect signatures out in front of Town Hall. I took this opportunity to mention that Scarborough Village Partnership should file a PACS with the Clerk's Office. I was told that their attorney had indicated that they did not need to file a PACS at this time.

On September 3, 2008, a representative from Scarborough Downs submitted petitions for verification to have an item placed on a ballot to go to the voters of the Town of Scarborough in November. A copy of the petition was sent to the Town's Attorney for review and the Clerk's Office verified the appropriate number of signatures required.

On September 17, 2008, the Town Council held a public hearing, which is required by the Town Charter with regards to the petition process, and on September 24, 2008, in a special meeting, the Council voted to set the date and time for a special election regarding the item on the petition that had been submitted by the Group.

On September 26, 2008, after not receiving a PACS Registration from the Group, I contacted Jeremy Brown at the Ethics Commission to double check on whether Scarborough Village Partnership did indeed need to file. That same day Steve Westra of Scarborough Village Partnership came into the office to ask an unrelated question. I took the opportunity to ask Mr. Westra if he worked with Ms. Rolston, to which he responded yes. I then mentioned that I had been waiting for Ms. Rolston to file the PACS Registration Form with the Clerk's Office and that I had just double checked with the Ethics Commission to confirm that the Partnership did indeed need to file. That same afternoon Ms. Rolston came into the office at 2:45 p.m. with the PACS Registration Form to file with the Clerk's Office that she had received several weeks earlier.

On September 26th, at the time of filing their PACS Registration Form, Ms. Rolston asked the question as to when the Group would submit their first report. At the time, I had indicated the first report would be due on October 24th.

On October 15th I received a call from Ms. Rolston asking the same question about when the first report was due as she had read an article indicating that their Group should be reviewed by the Ethics Commission for not filing a report that had been due on October 10th. In response to her concerns I indicated that I would double check with the Ethics Commission on this. I did, and was told that as a general rule, if someone registers within in a couple of days of a cut off, they can file their first report at the end of the first full reporting period. Therefore, with this being the first report with the Clerk's Office, the Group would be required to go back to the beginning of the campaign and cover everything that brought them up to the \$1,500 to the present date.

On October 24, 2008, the 11-Day Report was filed and on October 28, 2008, I sent an email to Ms. Rolston [with a cc to the Ethics Commission] noting that Schedule C - In Kind Contributions/Expenditures needed to be amended so that the Contributors name, address, zip code is the one who made the contribution for the expenditures, i.e. Contributors info of Penn National and the services/expense - would be the consultant or campaign marketing information, etc.

On October 30, 2008, Ms. Rolston submitted an amendment to Schedule F from the 11-Day Report; however, did not submit the amendment on Schedule C, as had been requested. On October 30th I sent another request via email to Ms. Rolston requesting that the amendment to Schedule C be submitted to the Clerk's Office by close of that business day. The Clerk's Office did not receive the amendment on Schedule C until December 16, 2008, when the Group filed their 42-Day Report.

Also, in closing, I would note that this is not the first time Scarborough Downs has brought a Citizens Initiative forward. In 2003, petitions were submitted for a referendum to go out to the voters and at the time they filed a PACS Registration.

I am available for any questions or concerns that the Commission has.

Sincerely,

Yolande P. Justice, CMC
Town Clerk

Wayne, Jonathan

From: Savvy, Inc. [savvypr@me.com]
Sent: Thursday, January 29, 2009 8:15 AM
To: Wayne, Jonathan
Cc: Lavin, Paul; Gardiner, Phyllis
Subject: RE: Late Filing Penalties Against Scarborough Village Partnership PAC

Dear Mr. Wayne,

As Executive Director of CasinosNO!, I am writing regarding the above matter that will be taken up at today's meeting of the Ethics Commission. It is our group's belief that the maximum penalties should be applied in this case for the Scarborough Village Partnership PAC's failure to register and file timely campaign finance reports during the fall referendum for slot machines in Scarborough. Despite the claims of the proponents, we believe that the failure to file timely reports was a deliberate attempt to withhold vital information from the voting public, specifically the extent of Penn National Gaming's involvement in the referendum.

Throughout the campaign, Scarborough Village Partnership presented itself as a locally operated organization formed by local business interests to promote a business and retail shopping destination in Scarborough. Slot machines and Penn National's interest were scarcely mentioned. Indeed, many of the signs and ads in the campaign didn't mention slot machines at all, but talked about lowering taxes or improving town services.

When CasinosNO! ran a television ad claiming that a big out-of-state gambling casino was the real entity behind the effort, the lawyer for Scarborough Downs wrote to me and denied this was so. (See enclosed). In fact he claimed that "Scarborough Downs is the only entity with a vested interest" in the success of the referendum campaign. It was only after Scarborough Village Partnership registered its PAC on Sept. 26 that it became clear that Scarborough Downs was not even a contributor to the campaign. The registration form shows Penn National Gaming as the sole contributor to the PAC. The company - the third largest publicly traded casino corporation in the country - is listed on the PAC filing as "Primary Fundraisers and Decision Makers." No other entity, local or otherwise, is listed as a fundraiser or decision maker for the PAC.

Penn National is not new to political referendum campaigns. In fact, during last year's election cycle, Penn National was engaged in a referendum campaign in another state for which it contributed more than \$30 million. As the primary fundraiser and decision maker for the Scarborough Village Partnership PAC, Penn National certainly had the resources to determine exactly what its obligations are under Maine law regarding registration and filing timely reports. When CasinosNO! made the decision to become involved in the Scarborough referendum, we checked with both the state and local town clerk to determine our filing requirements and deadlines. We made timely filings and were perplexed that Scarborough Village Partnership was not filing campaign reports at the same time, nor was there a filing anywhere of its PAC registration. We complained several times to both the state Ethics Commission and to the local town clerk about this situation.

This is not an insignificant matter. Penn National's deep involvement in the Scarborough referendum was important information that was not fully disclosed to Scarborough voters until very late in the campaign. While the PAC now says its failure to file timely reports was an error and blames it on incorrect information they received from local officials, why did the other entities involved in the campaign, CasinosNO! and Save Our Scarborough, file timely reports based on the correct filing deadlines? Why was Scarborough Village Partnership the only one that failed to register and file timely finance reports?

Therefore, I urge you take this matter very seriously and impose the maximum penalties. Voters in Scarborough were deprived for many months of critical information regarding the extent of Penn National's involvement in the local referendum, and it was only through the efforts of CasinosNO! and the local opposition group that the real financial backer of the campaign was exposed.

3/18/2009

Please acknowledge receipt of this e-mail, and thank you for your consideration.

Sincerely,

Dennis Bailey
Executive Director
CasinosNO!
207-347-6077

EMAIL EXCHANGE BETWEEN ME AND ED MACCOLL

Begin forwarded message:

From: "Edward MacColl" <emaccoll@thomport.com>
Date: October 16, 2008 2:11:42 PM EDT
To: <info@savvy-inc.com>
Cc: <krolstonpr@yahoo.com>

Dennis,

Your advertisement concerning the Downs' project is false and inaccurate in virtually every respect. Without limitation, we do not plan acres of wetland impact, the referendum was not written by an out-of-state firm, but by me, sprawl will not result, and there is probably not a single accurate assertion in the commercial.

I know you do not care about accuracy, but I do.

Edward S. MacColl

-----Original Message-----

From: Savvy, Inc. [<mailto:savvypr@me.com>]
Sent: Thursday, October 16, 2008 4:06 PM
To: Edward MacColl
Cc: krolstonpr@yahoo.com
Subject: Re:

OK, congratulations, you wrote it - at the behest of out-of-state corporations which are the sole financiers of your campaign. You're splitting hairs Ed.

Dennis

Begin forwarded message:

From: Edward MacColl <emaccoll@thomport.com>
Date: October 16, 2008 5:46:07 PM EDT
To: "Savvy, Inc." <savvypr@me.com>
Subject: RE:

3/18/2009

Dennis,

That's an intriguing guess, but not even remotely accurate. The only entity with a vested interest in success is S Downs and that is the entity for which I wrote the referendum. I'm not splitting hairs, unless bothering actually to know what I'm talking about qualifies. . . .

-----Original Message-----

From: Dennis Bailey [<mailto:savvypr@me.com>]
Sent: Thursday, October 16, 2008 6:34 PM
To: Edward MacColl
Subject: Re: RE:

Ed, please, cut the crap. I didn't just fall off the turnip truck.

Perhaps you should check the registration on file at the Scarborough town office for Scarborough Village Partners PAC, which I've conveniently enclosed, the outfit behind the campaign for Question 1. Under "Primary Fundraisers and Decision Makers" I don't see Scarborough Downs listed. In fact, I don't see Scarborough Downs anywhere on this document.

DennisFrom: Edward MacColl <emaccoll@thomport.com>
Date: October 16, 2008 6:44:10 PM EDT
To: Dennis Bailey <savvypr@me.com>
Subject: RE: RE:

I'm not sure what you fell off, but you're given to making assumptions that are mistaken, albeit understandable. I'm sure you can not think of a single time I've lied to you or misled you. And what I'm telling you now is accurate.

If meeting might help, I'd explain the circumstance. But Sharon Terry and her family are the only individuals with any right to the fruits of success here. She pays me to know, and I do.

3/18/2009

Wayne, Jonathan

From: Savvy, Inc. [savvypr@me.com]
Sent: Thursday, January 29, 2009 9:04 AM
To: Wayne, Jonathan
Cc: Lavin, Paul; Gardiner, Phyllis
Subject: One more point re: Scarborough Village Partnership PAC

In his e-mail exchange with me, Ed MacColl states that he was paid by Scarborough Downs to write the referendum question and initiative. Yet Scarborough Downs is not listed as contributor to the Scarborough Village Partnership PAC. Did Scarborough Downs fail to disclose its contributions and expenditures in support of the Scarborough slots referendum?

Dennis Bailey
CasinosNO!

Wayne, Jonathan

From: Savvy, Inc. [savvypr@me.com]
Sent: Wednesday, March 04, 2009 5:43 PM
To: Wayne, Jonathan
Cc: George Isaacson
Subject: [SpamFilter_ADV?] Supplemental information regarding Scarborough Village Partners
Attachments: SVP001July_2008.pdf; ATT10395720.htm; SVP002Aug22.09.pdf; ATT10395722.htm; CNpennPAC.doc; ATT10395724.htm; CNpennAP.doc; ATT10395726.htm

Jonathan,

Here is some additional information you requested regarding the issue with Scarborough Village Partners.

It is our belief that regardless of any errors that were made concerning the filing deadlines, Scarborough Village Partners deliberately adopted a strategy to conceal the role of Penn National Gaming in its campaign for slot machines in Scarborough, and they almost succeeded. Their entire proposal was centered on a new "mixed use" development with slot machines being something of an afterthought. Some of their paid ads focused on the additional jobs and tax revenue that the town would get, the retail businesses that would come to the area, and only mentioned "enhanced gaming" in passing. Their signs around Scarborough said "Vote Yes for Lower Taxes." Many of their ads only talked about the revenue and amenities the town would get from the village development, and said nothing about slot machines. And there was no mention anywhere that Penn National Gaming, the third largest publicly traded casino corporation in the country, was the sole financial backer of the campaign.

It should be noted that this was not an unsophisticated campaign waged by Scarborough Village Partners. We know that it actually began in early 2008 with several focus groups in Portland involving Scarborough residents. We have been contacted by people who participated in these focus groups. These residents were paid \$50 each and given sandwiches and refreshments to answer questions from researchers and consultants about their views of slot machines in Scarborough. This is a frequent technique political campaigns use to help fashion an acceptable and winning message and strategy. Who paid for these focus groups? I find no record of these expenditures for the dates in question in the financial disclosure documents filed by Scarborough Village Partners. There is little question, however, that the information gleaned from these focus groups were used to develop the Scarborough slots campaign and should certainly qualify as a campaign expenditure.

During the summer of 2008, SVP mailed glossy, expensive brochures to Scarborough voters. (See enclosed.) "Enhanced gaming" is not mentioned until near the end of the brochure, and nowhere is Penn National's involvement mentioned. Again, it's important to point out, Penn National does not build downtown retail centers. They build slots parlors and casinos. They built a hotel in Bangor to go with their casino only reluctantly after the city insisted.

Also enclosed is an ad from a local newspaper that appeared in late August inviting people to a meeting concerning the Scarborough Village plan. Again, no mention of slot machines, Penn National, and not even a disclaimer showing who paid for the ads. (I would also urge you to look carefully at how much SVP paid for its signature gatherers. We know that toward the end of their signature gathering effort, they were offering people \$7 per signature to collect names, a very high amount for referendum campaigns where \$2-\$3 is the norm. SVP turned in "almost 3,000 signatures" in early September to get on the ballot. No doubt some were collected by volunteers, but if even half of them were collected by paid gatherers making \$7/signature, the amount spent would be twice the amount SVP reported on its campaign financial disclosure form for signature gathering).

My previous e-mail to you shows that when CasinosNO! ran a TV ad claiming that the Scarborough referendum was written by an out-of-state gambling corporation, the lawyer for Scarborough Downs vehemently protested, saying in an e-mail on Oct. 16th, "The only entity with a vested interest in success is S Downs and that is the entity for which I wrote the referendum."

3/18/2009

Setting aside the question of why Scarborough Downs is not listed in the campaign disclosure forms as having contributed to the campaign by paying Mr. MacColl to write the referendum, his protests proved false just a few days later when Scarborough Village Partners finally filed their campaign expenditure form. It showed that Penn National was in fact the sole contributor to the campaign, and without question had a vested interest in the outcome.

I note that the representatives from Scarborough Village Partners maintain that they did not hide or fail to disclose Penn's involvement, and they point out that Penn National is listed on the Scarborough Village website. While it's true that Penn's name came up (rarely but occasionally) as the potential OPERATOR of the slots facility in Scarborough, nowhere was it mentioned in anything I can find that the campaign for slots in Scarborough was being entirely financed by Penn National. This is an important distinction.

It's also significant to note that when CasinosNO! issued a news release on Oct. 24th (enclosed) revealing for the first time that Penn was behind the campaign, it was treated as big news and picked up by many Maine newspapers and TV stations, including the Associated Press (enclosed). If Penn's involvement was "well known," why was it headline news in late October?

The bottom line is that voters in Scarborough were largely unaware until the very final weeks of the campaign that the campaign for a "Scarborough Village" was being entirely funded by a large out--of-state casino corporation. Throughout the campaign, the message of the proponents was all about a partnership between the local harness racing track and a local developer. This was deliberate. If this is allowed to stand, without a significant penalty, than what's to prevent other groups from replicating this model? What's the point of campaign finance disclosure laws if voters are deprived of knowing who is really backing these campaigns until the final days of the campaign? It's not enough for the proponents to say "We didn't know," or "We were given wrong information." Their ads said "Paid for by Scarborough Village Partners." But in this case, voters had no way of knowing the true entity behind Scarborough Village Partners.

There is also another aspect of their filings that is concerning. Late in the campaign, an influential Scarborough citizen spoke out in favor of the Scarborough Village partnership. He presented himself in newspaper articles and ads as a concerned citizen, a former legislator and former councilor. It was quite disheartening to our local group when he came out in favor of the proposal. Only after the election, and only after Scarborough Village Partners file an amended financial disclosure form on Jan. 15th did we learn that this "concerned citizen" was the apparent recipient of \$30,000 from Penn National.

Thanks.

Dennis Bailey
Executive Director
CasinosNO!

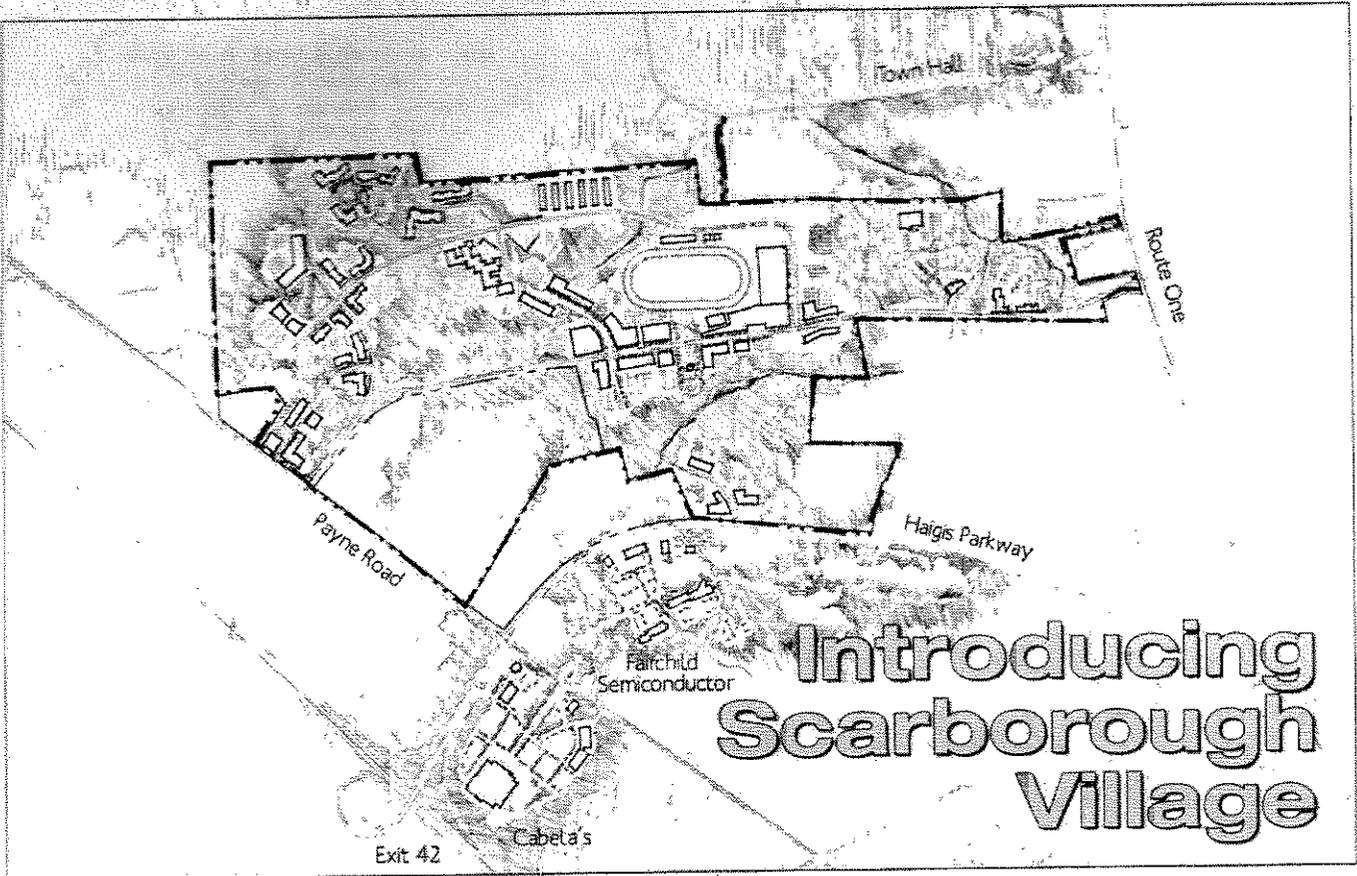
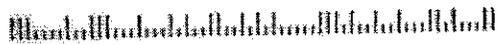
Begin forwarded message:

Scarborough Village Partnership
7 Plaza Drive
PO Box 367
Scarborough ME 04070-0367

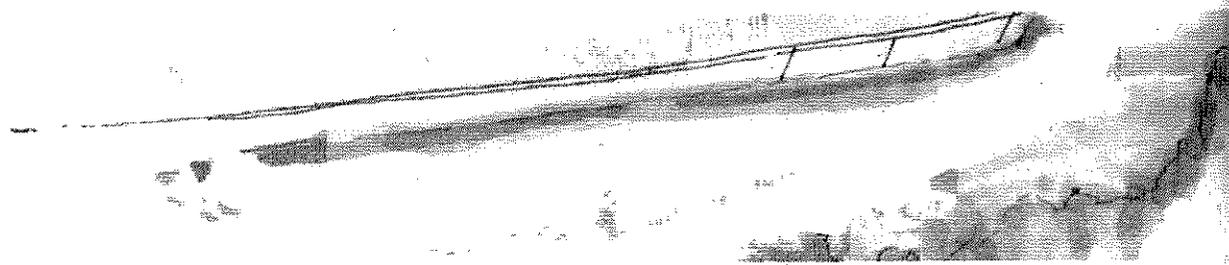
PRESORT 1st Class
US Postage
PAID
Permit #208
Augusta, ME

Join Us!

*****AUTOMATED DIGIT 04074
RESIDENT
88 MUSSEY RD
SCARBOROUGH, ME 04074-8919



Introducing Scarborough Village



Scarborough Village

Scarborough Village is an exciting new mixed-use community development.

It will be located at the crossroads of Haigis Parkway between Route 1 and Payne Road.

Scarborough Village is adjacent to the successful Cabela's development and the future Fairchild Semiconductor regional headquarters at Haigis Parkway.

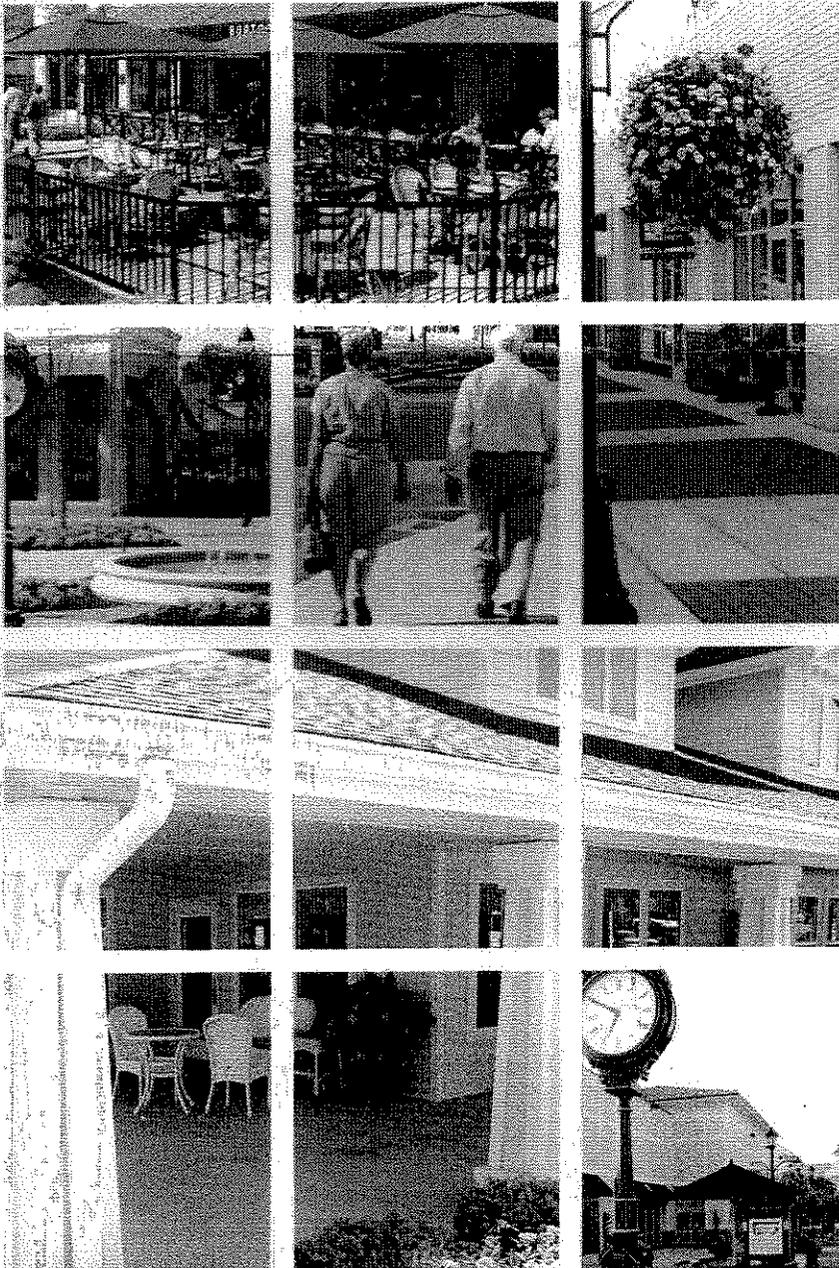
A Village for the Entire Community

Scarborough Village will create new uses for over 500 acres at The Crossroads, as identified in the town's Comprehensive Plan. The plan will include these new benefits for Scarborough residents:

- Economic growth, jobs, and new revenues for the town.
- Entertainment, shopping, parks, and walking trails for the community.
- A new "Main Street" and public funds for new high-priority town facilities.

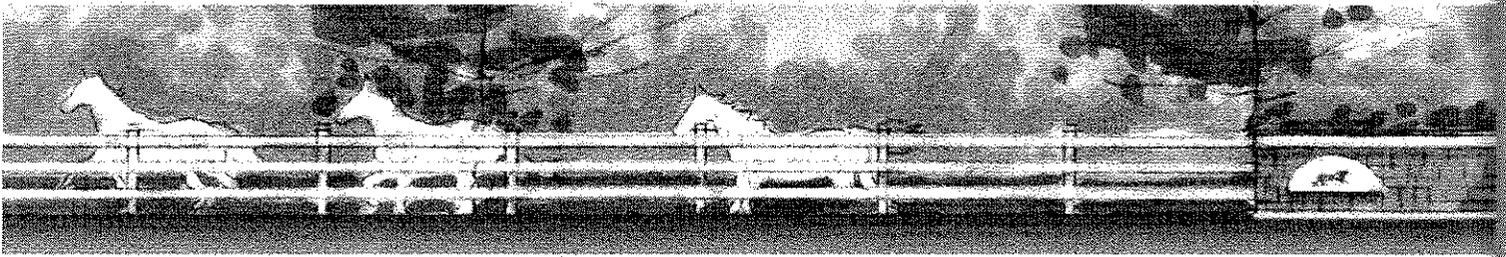


Something for Everyone!



Additional
uses under
consideration
for Scarborough
Village include:

- Senior Housing
- Public Facilities
 - Shopping
 - Dining
- Entertainment
- Office Campus



New Funds for Critical Programs

The mixed-use plan for Scarborough Village will tap the development potential of 500 acres surrounding Scarborough Downs.

Scarborough Village will initially contribute over \$13 million in new annual town real estate, personal property and gaming taxes, with future annual tax contributions projected to be over \$40 million.

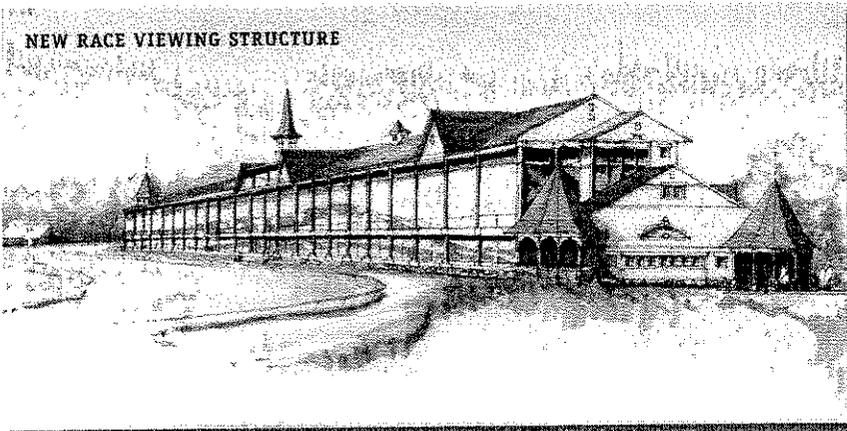
High priority public projects identified by Scarborough's 5 Year Capital Improvement Plan include:

- Police and Fire Department Projects
- Public Works
- Public Library
- Primary School
- Wentworth School
- Middle School





Take a Look at Plans for Scarborough Village



Scarborough Village will enhance the harness racing tradition in Maine, while providing new opportunities for the Scarborough community.

Much of the architecture being considered is modeled after the historic Saratoga Racetrack and Village.

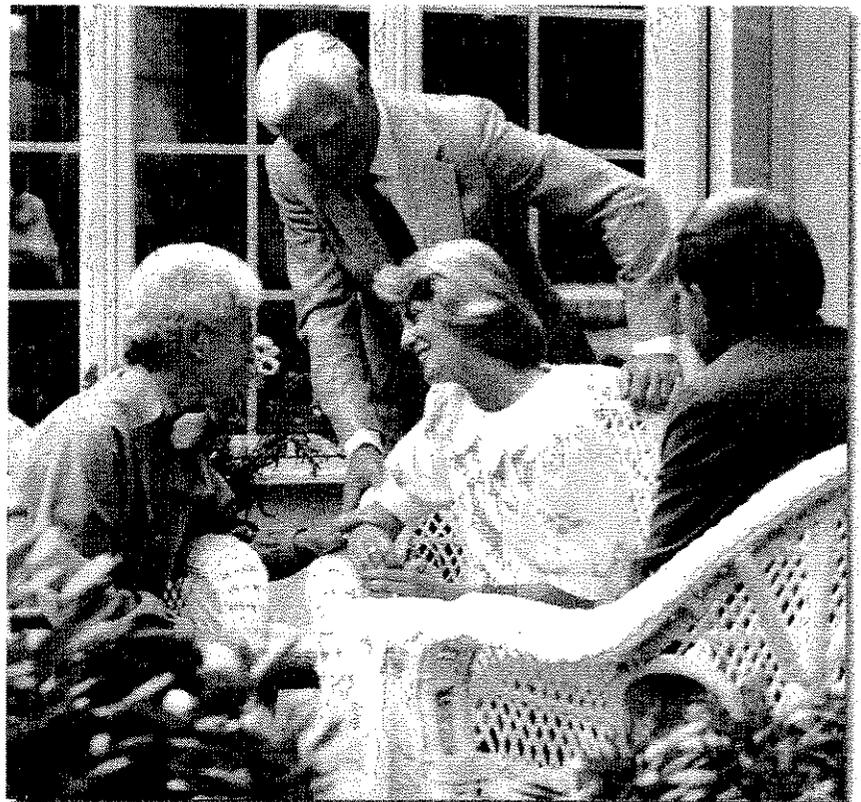


Giving Back to Our Community

Scarborough Village will be designed by the community for the community.

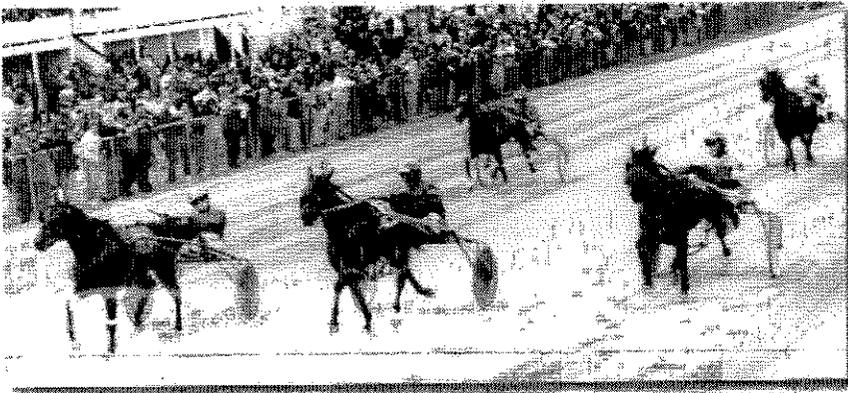
The new mixed-use plan will also help Scarborough deliver on the promise of the town's Comprehensive Plan for balanced growth. Input from community leaders and civic groups will be requested, and special-use facilities will be included in the plan:

- Public Safety Facilities
- Community/Senior Center
- Senior Housing
- Parks, Trails, and Open Space



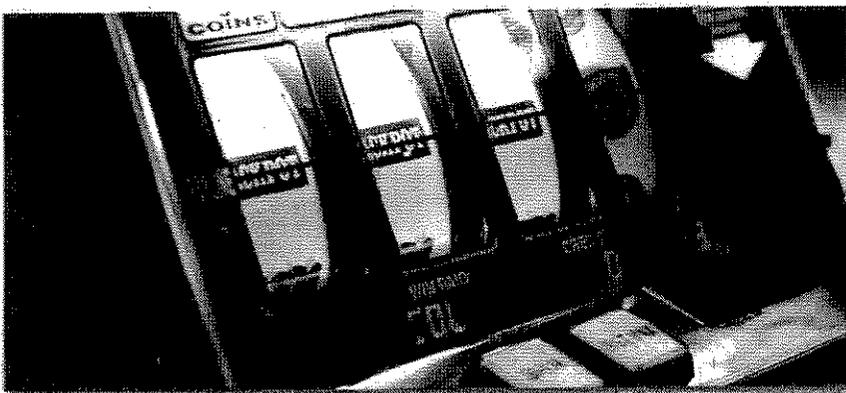


A Mixed-Use Model



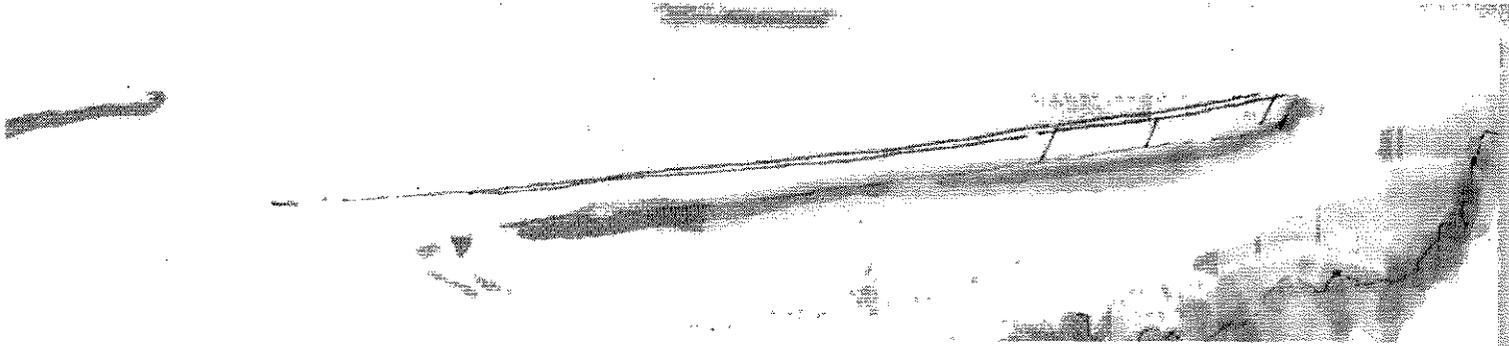
Scarborough Village will include an expanded gaming venue similar to the one on Main Street in Bangor. The venue will serve as an anchor to attract other retailers and businesses. It will also provide funds for important Scarborough community projects and infrastructure.

"Our business is up about 7% since Hollywood Slots opened. That's pretty good in this economy. The hotel next to us is full all the time, which wasn't the case before Hollywood Slots was here."
— Peter Geaghan, Geaghan's Restaurant, Bangor



"We've been very pleased with the partnership with Hollywood Slots. They've been good people to do business with, and the operation has been good for the region. It's exactly what we hoped would happen."

— Frank Farrington,
Bangor City Council



Join Us! The Scarborough Village Partnership

We want to hear from you! Simply fill out the enclosed response card so we can add you to our invitation list for public meetings, community focus groups, and surveys.

Your participation is critical in shaping the Scarborough Village mixed-use plan.

Who is participating in the Partnership?

Scarborough Downs initiated the Scarborough Village Partnership to improve 500 acres around the racetrack for the benefit of all Scarborough residents.

Local experts were hired to develop a land use plan. They include Gene Beaudoin, Stantec, Richardson & Associates and Gawron Turgeon Architects. ~~The plan will include input from the Scarborough Town Council, community groups, and citizens like you.~~



Join the Scarborough Village Partnership!

We hope you will join us to offer ideas as we develop a unique and exciting new community village for Scarborough. Simply fill out this postage-paid response card and drop it in the mail so we can keep you posted.

Yes! I would like to join the Scarborough Village Partnership.

Tell me how I can make suggestions and participate in planning activities. There is no cost to join.

I would like to learn more. Please send me more information.

No thank you. *(Please offer your comments.)*

NAME

MAILING ADDRESS

CITY

STATE

ZIP

PHONE

EMAIL

I am especially interested in the following plan elements:

- Parks and Open Space
- Public Facilities
(Police, Fire, and other city services)
- Schools
- Shopping and Retail
- Entertainment
(Racing and Gaming)
- Community Center
- Office Space
- Other (please specify)

Your information will not be shared or used for marketing purposes.



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 147 SCARBOROUGH ME
POSTAGE WILL BE PAID BY ADDRESSEE

SCARBOROUGH VILLAGE PARTNERSHIP
7 PLAZA DR
PO BOX 367
SCARBOROUGH ME 04070-9909



but also learn and improve their skills; we constantly have instructional clinics for players. we want players
www.scarboroughleader.com
DOUGL, MAINE

A: We want to build a little league size field. We desperately need another baseball field in Scarborough for kids.

say is your happiest moment?
A: I don't think I've had it yet. My constant daydream is that kids who I have



JOIN US! The Scarborough Village Partnership
Wants to Include You

Tuesday, August 26, 5:30-7:30 p.m.

Public Information and Input Meeting
The Downs Club Restaurant at Scarborough Downs
Route 1 or Payne Road, Scarborough
Clubhouse Building, 3rd Floor
Light refreshments will be served

- Resident participation is critical in shaping the Scarborough Village mixed-use plan:
- ↓ See the concepts for the property as outlined recently to the Town Council
 - ↓ View a slide presentation of other town center developments
 - ↓ Tell us how you'd like the village center to serve your needs
 - ↓ Ask about the proposed gaming facility and how it can benefit harness racing and the town

Who is participating in the Partnership?

Scarborough Downs' owner, Sharon Terry, development and land-planning professionals, and, most importantly, any resident willing to express an opinion.

For more information or to join the Public Meeting:
Email Susan Higgins at shiggins@scarboroughdowns.com
Or call The Scarborough Village Partnership office at 510-1911



CasinosNO!

Don't Gamble Away Maine's Future

Oct. 24, 2008

FOR IMMEDIATE RELEASE

PENN NATIONAL IS BANKROLLING SCARBOROUGH REFERENDUM, REPORT SHOWS

Owner of Hollywood Slots is behind effort for Southern Maine Casino

PORTLAND – A campaign finance report filed today in Scarborough shows that Penn National Gaming is the sole contributor to a local referendum campaign to allow slot machines at the Scarborough Downs racetrack.

The report shows that Penn National has financed the campaign to the tune of more than \$62,000, including radio and television ads, direct mail and hundreds of campaign signs that blanket the town just south of Portland.

Meanwhile in Ohio, a state elections commission on Thursday found merit in a complaint that Penn National employed “false and deceptive” advertising in its campaign to prevent a competing casino from being built near the Penn-owned Argosy casino in Indiana.

(www.tradingmarkets.com/.site/news/Stock%20News/1969280/)

Dennis Bailey, executive director of CasinosNO!, said today's filing in Scarborough finally pulls the curtain on what's really at stake in the local referendum and who is behind it.

“Penn National is bankrolling false and deceptive ads in Ohio, and they are bankrolling similar tactics here in Maine,” he said. “They are hoping to sneak in under the radar by promising lower taxes, a new school, a town swimming pool – everything under the sun, with barely a mention of what their real aim is: to build a casino in southern Maine that will dwarf the one they own in Bangor.”

The referendum on the November ballot in Scarborough will amend the town's zoning to allow slot machines at the racetrack. It is being sold to voters as "Scarborough Village," a mixed-use retail and business complex anchored by "enhanced gaming" at Scarborough Downs. That "enhanced gaming" would be a huge casino with 1,500 slot machines owned by Penn National.

Bailey said Penn National is looking to build a casino in southern Maine because Hollywood Slots in Bangor is not producing the revenue the company expected. Financial records at the state Gambling Control Board show that revenues at the new facility with 1,000 slot machines are about the same as at the former facility with only 475 slot machines, but the company now has significantly higher expenses and overhead.

"If Penn National is successful in getting a casino in Scarborough, Hollywood Slots in Bangor will wither and die, and the company will abandon it," Bailey said. "They are looking to move closer to the southern Maine and Boston-New Hampshire markets before competing casinos can be built in neighboring states.

"This means that the Scarborough referendum is no longer a local matter," he continued. "It will likely determine the future of casino gambling in Maine."

CONTACT: Dennis Bailey, 207-749-4963

Penn National giving to Maine slots initiative

October 28, 2008

PORTLAND, Maine—The company that owns the Hollywood Slots casino in Bangor is putting money behind an effort seeking to allow slot machines in Scarborough.

Scarborough residents will vote Election Day on a question asking if they want to amend zoning ordinances that would allow slot machines at the Scarborough Downs harness racing track.

According to a campaign finance report, the Scarborough Village Partnership LLC political action committee spearheading the initiative received \$62,389 from Penn National Gaming, the owner of Hollywood Slots, between Aug. 12 and Oct. 16.

Kathryn Rolston, the treasurer of the PAC, said Penn National is getting involved because it would like to have a slot machine facility in Scarborough. If voters approve the measure, it would be just the first step in a process to allow slots at Scarborough Downs.

Wayne, Jonathan

From: Savvy, Inc. [savvypr@me.com]
Sent: Wednesday, March 04, 2009 10:01 PM
To: Wayne, Jonathan
Subject: Addendum

I made an error in my earlier e-mail. The focus groups in Portland were held in June of 07. I guess there would be some question whether these were reportable campaign expenses??? See below.

Begin forwarded message:

From: Susan Wilder <swilder@gwi.net>
Date: March 4, 2009 9:49:42 PM EST
To: Dennis Bailey <dennis@savvy-inc.com>, "Suzanne Foley-Ferguson (((Co-h)))" <pinusstrobus@maine.rr.com>, "Fred Kilfoil ((CNo))" <fkilfoil@maine.rr.com>
Subject: Focus Group--June 26, 2007

Dear Dennis--

I found my calendar. Clearly life moves much too quickly. The focus group was at 5 Milk Street in Portland at 5:30 on June 26, 2007. I received a letter asking me to join a focus group concerning issues for Scarborough residents. There were at least ten of us there. We were paid \$50 in cash, a sandwich and soda, and were asked to rate problems in town and then shown some very pretty pictures of what the Scarborough Village would look like. My understanding is that there were a number of groups. Shirley Barber was in mine. Another woman said her sister had been included in one the night before. There is a Strategic Marketing Services at 5 Milk Street--probably the only place with a one-way mirror--now is called Pan Atlantic SMS Group. They don't list their clients. Patrick Murphy is president.

I remember that I wrote a letter to our Town Manager Ron Owens afterward to discuss the fact that slots was raising its head again and to say that we certainly didn't need to create a town center around slots--is that how we wanted Scarborough to be known? I ccd a number of people on that. There were a few articles in the local weeklies at the time about councilors meeting individually with the race track reps. I did send a letter to the editor as well. My computer was switched and I seem to have lost emails from before September 2007. Fred may have a copy because I called Fred after the focus group.

Notice in the third attachment that Suzanne sent that on p. 19, Pan Atlantic SMS Group was paid \$14,000 for a poll on 10/17/08.

Is the reporting requirement based on a calendar year? Would the focus groups held in 2007 be considered exploratory to the referendum and not a campaign expense?

This may be of no help whatsoever--the other stuff Sue found has more relevance.

Best,
 Susan

Susan DeWitt Wilder
 swilder@gwi.net
 3 Tide Mill Lane
 Scarborough, Maine 04074
 207-883-6050

3/18/2009

Wayne, Jonathan

From: CasinosNO! [info@casinosno.org]
Sent: Thursday, March 05, 2009 10:29 AM
To: Wayne, Jonathan
Subject: Supplemental to yesterday's e-mail

Attachments: SVP018Oct.17.08Forecaster.pdf; ATT10480150.txt



SVP018Oct.17.08F ATT10480150.txt
orecaster.pdf ... (196 B)

Nothing technically illegal here, but this is a typical example of the ads that were run by Scarborough Village Partners, paid for by Penn National. No mention of Penn, gambling or slot machines.

Begin forwarded message:

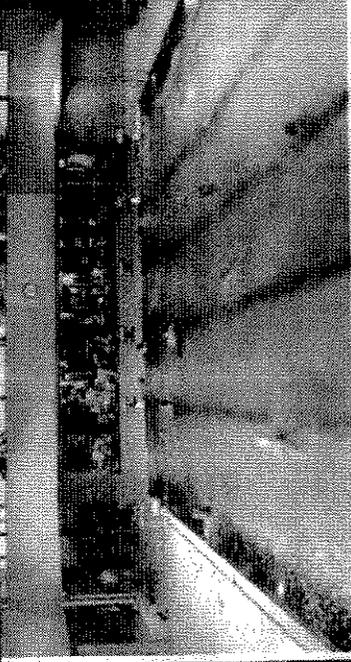
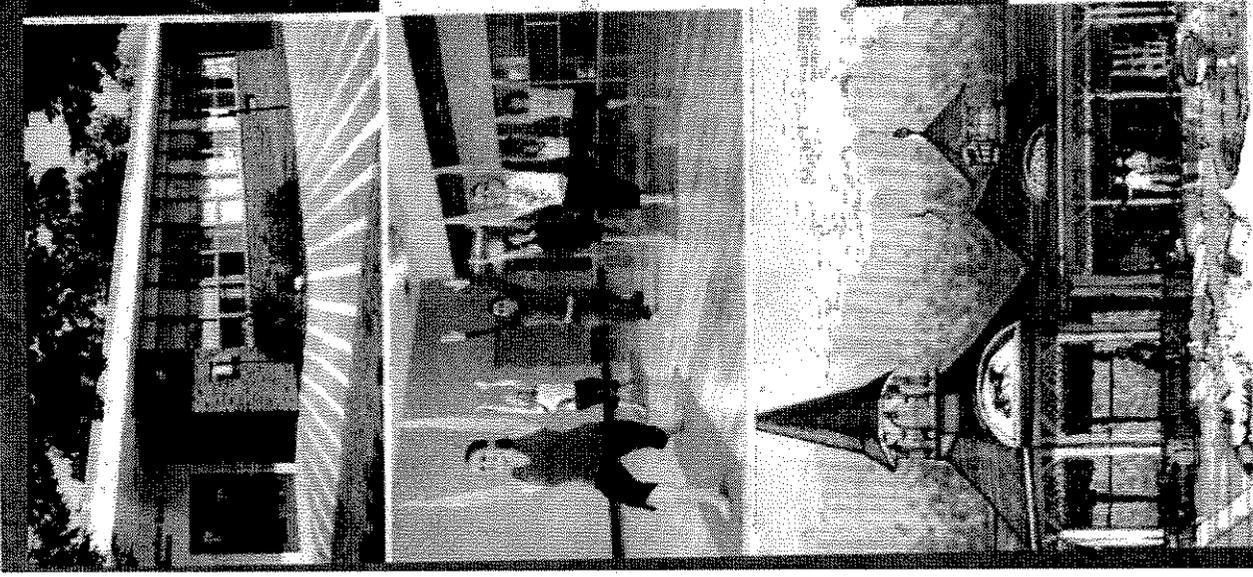
"I really am looking forward to getting
ck (on the council)," Babine said. "I

He said he will wait to make a decision

He said he's running for council to help

With one of the lowest property tax rates
continued next page

October 17, 2008 *Forecast*



New Wentworth School, Community Center and Pool, New Police and Fire Station. Lower Taxes.

Vote YES for Special Municipal Question 1
Get the Facts. Visit www.scarboroughvillage.com

On November 4th, Scarborough voters have the opportunity
to say **YES** to a proposal that will provide revenues for the
town to build a new school, a community center with a pool,
a new fire and police station – all without raising taxes.

Paid for by Scarborough Village Partnership
7 Plaza Drive, PO Box 367, Scarborough, ME 04070-0367 Tel: 510-1911

No mention of Penn Nat'l
or slots.
Misleading Promises
←

misleading
←

Wayne, Jonathan

From: CasinosNO! [info@casinosno.org]
Sent: Thursday, March 05, 2009 10:27 AM
To: Wayne, Jonathan
Subject: SVP ad
Attachments: SVP022Oct31.08DanW.L#17CF25.pdf; ATT10480520.htm

This is a copy of a full page ad that appeared in the Scarborough Leader in late Oct. It features Dan Warren, who is identified in the ad as "Scarborough native, former town councilor, former state representative, coach, father and lawyer." It begins by saying, "I've been asked about getting involved with different commercial proposals at the track. I have always declined. This time, due to the historical timing and the proposal itself, I am willing to get involved."

According the Scarborough Village Partners amended campaign finance report, filed after the election, this individual was paid \$30,000 by Penn National, if I'm reading it correctly. The finance report show an "in-kind" donation of \$30,000 for Dan Warren's services. This is yet another example of how Scarborough Village Partners concealed Penn National's involvement.

Dennis Bailey



Dan Warren,
Scarborough native,
former town councillor,
former state representative,
coach, father and lawyer

Fellow Residents,

I've been asked about getting involved with different commercial proposals at the track. I have always declined. This time, due to the historical timing and the proposal itself, I am willing to get involved.

What are the Benefits

I was born and brought up in Scarborough. Unlike many of the kids I grew up with, I have generally liked the changes that I have seen in Scarborough. There are some aspects of "old Scarborough" I want preserved, and horses and agricultural life are part of that. I think it is good for people to see, hear, smell and touch horses, animals, nature, and a rural way of life that used to characterize our town. I love seeing horses run on Pine Point Beach in the winter!

Revenues for Town

It is my understanding that the project, if approved, would see Scarborough Downs' entity putting at least \$8 million into town coffers, and more if the venture is successful--up to \$20 million, some say. If the council chooses, that money could be used to build a new Wentworth School or library or Middle School. Voters have rejected funding all of those projects recently, and are not likely to change their vote any time soon. Perhaps this Downs project is the only hope.

Won't traffic increase due to the racino/hotel complex being built?

Ever deal with the Planning Department at Town Hall? I think people who deal with them, and who also deal with municipal planners elsewhere, will tell you the Scarborough folks are not shy; they energetically require proper roadways, quality construction, good planning for traffic routes, sufficient funding for infrastructure, sidewalks, traffic lights, street lights, etc.

I assume there will be increased traffic. Same is true of the other

and Payne Road developments; and future planned projects for the Haigis (high-gus') Parkway area. Our planners can funnel traffic onto Haigis Parkway and the Maine Turnpike.

What about crime?

I think Police Chief Rob Moulton is on top of this. He and his staff have shown they have a good understanding both of the problems of increased car and foot traffic, and how to respond tactically. We also, as a town, have had good solutions financially. We assess the private companies what the costs are. The town does not suffer. Beech Ridge Speedway and Scarborough Downs have both been busy venues since the 1970s. Police patrol them well.

How has the Maine Mall turned out since 1973? Thousands of people, hundreds of cars. The Mall has its share of petty and serious crime. Overall, haven't authorities handled it well?

Conclusion

The Scarborough Village and gaming facility is a controversial issue. Following the recent Wall Street mess, I have decided to support it. I realize not all will. There are valid opinions on all sides.

I just hope everybody discusses it thoroughly, and looks to the future and decides what our needs and resources will be as a town.

It should not be just a bumper sticker and lawn sign discussion.

I have never supported any statewide or local proposals in 25 years that sought to establish any type of sizeable gambling ventures, but I will be voting yes on this proposal Nov. 4 by Scarborough Downs. The project will fit well in our town.

Best Regards,
Dan Warren

VOTE YES
ON SPECIAL MUNICIPAL QUESTION 1
www.scarboroughvillage.com

Paid for by Scarborough Village Partnership
7 Plaza Drive, PO Box 367, Scarborough, ME 04070-0367 Tel: 510-1911



RECEIVED

2009 JAN 15 P 2:40

2008 CAMPAIGN FINANCE REPORT
POLITICAL ACTION COMMITTEES

COMMITTEE IDENTIFICATION Check if address is different than previously reported.

Name Scarborough Village Partnership LLC
(full name of committee)

Mailing address P.O. Box 367
(official headquarters of committee)

City, zip code Scarborough ME 04074 Telephone _____

TREASURER IDENTIFICATION Check if treasurer or address is different than previously reported.

Name of treasurer Kathryn Rolston

Mailing address P.O. Box 367

City, zip code Scarborough ME 04070-367 Telephone 329-5191

E-mail address Krolstonpr@yahoo.com

POLITICAL ACTION COMMITTEE FILING PERIODS (Check applicable period below):

Report Type	Due Date	Reporting Period
<input type="checkbox"/> April Quarterly	April 10, 2008	January 6, 2008 – March 31, 2008
<input type="checkbox"/> 11-Day Pre-Primary	May 30, 2008	April 1, 2008 – May 27, 2008
<input type="checkbox"/> 42-Day Post-Primary	July 22, 2008	May 28, 2008 – July 15, 2008
<input type="checkbox"/> October Quarterly	October 10, 2008	July 16, 2008 – September 30, 2008
<input type="checkbox"/> 11-Day Pre-General	October 24, 2008	October 1, 2008 – October 21, 2008
<input type="checkbox"/> 42-Day Post-General	December 16, 2008	October 22, 2008 – December 9, 2008
<input type="checkbox"/> January Semiannual	January 15, 2009	December 10, 2008 – January 5, 2009

Check this box if this report is an amendment to a previously filed report.

No Change Report: If your committee received no contributions and made no expenditures during this period, provide the current cash balance: \$ _____, and sign below.

I CERTIFY THAT I HAVE EXAMINED THIS REPORT AND TO THE BEST OF MY KNOWLEDGE, IT IS TRUE, CORRECT AND COMPLETE.

KSRolston
Treasurer's Signature

1-15-08
Date

SVP

Name of PAC

Page 1 of 2

SCHEDULE C

IN-KIND CONTRIBUTIONS/EXPENDITURES

In-Kind CONTRIBUTIONS

With respect to all items and services received and expended, enter the date received, a description of the item or service, and the fair market value. Enter contributor information if the fair market value of donated item or service is more than \$50.

Date received	Contributors name, address, zip code	Description of goods, services, discounts or facilities received/expended	Fair market value
10/14/08	Penn National Gaming 825 Berkshire Blvd Wyomissing	Dan Warren - Campaign Consulting Services	30,000
8/12/08	Penn National Gaming PA 19610	Gene Beaudoin - Campaign Consulting Services	12,000
8/12/08	Penn National Gaming Inc	Kathryn Rolston - Campaign Marketing Services	17,000

If the items shown above were, in turn, contributed to candidates or committees, list to whom the items were donated and their description.

Date of payment	Recipient's name, address, zip code	Description of goods, services, discounts or facilities contributed	Fair market value

SCHEDULE D

LOANS/LOAN REPAYMENTS

List loans and loan repayments from all sources.

Date of loan/ loan repayment	Identity of lender	Loan balance from previous period	Amount loaned this period	COLUMN 3		COLUMN 4 Unpaid loans Columns 1 + 2 - 3
				Amount repaid/ forgiven this period		
					R F	
					R F	
					R F	

SCHEDULE E

TOTAL UNPAID OBLIGATIONS (OTHER THAN LOANS)

List all goods or services that have not been invoiced and all existing unpaid bills.

Date obligation incurred	Creditor's name, address, zip code	Purpose	Amount

Wayne, Jonathan

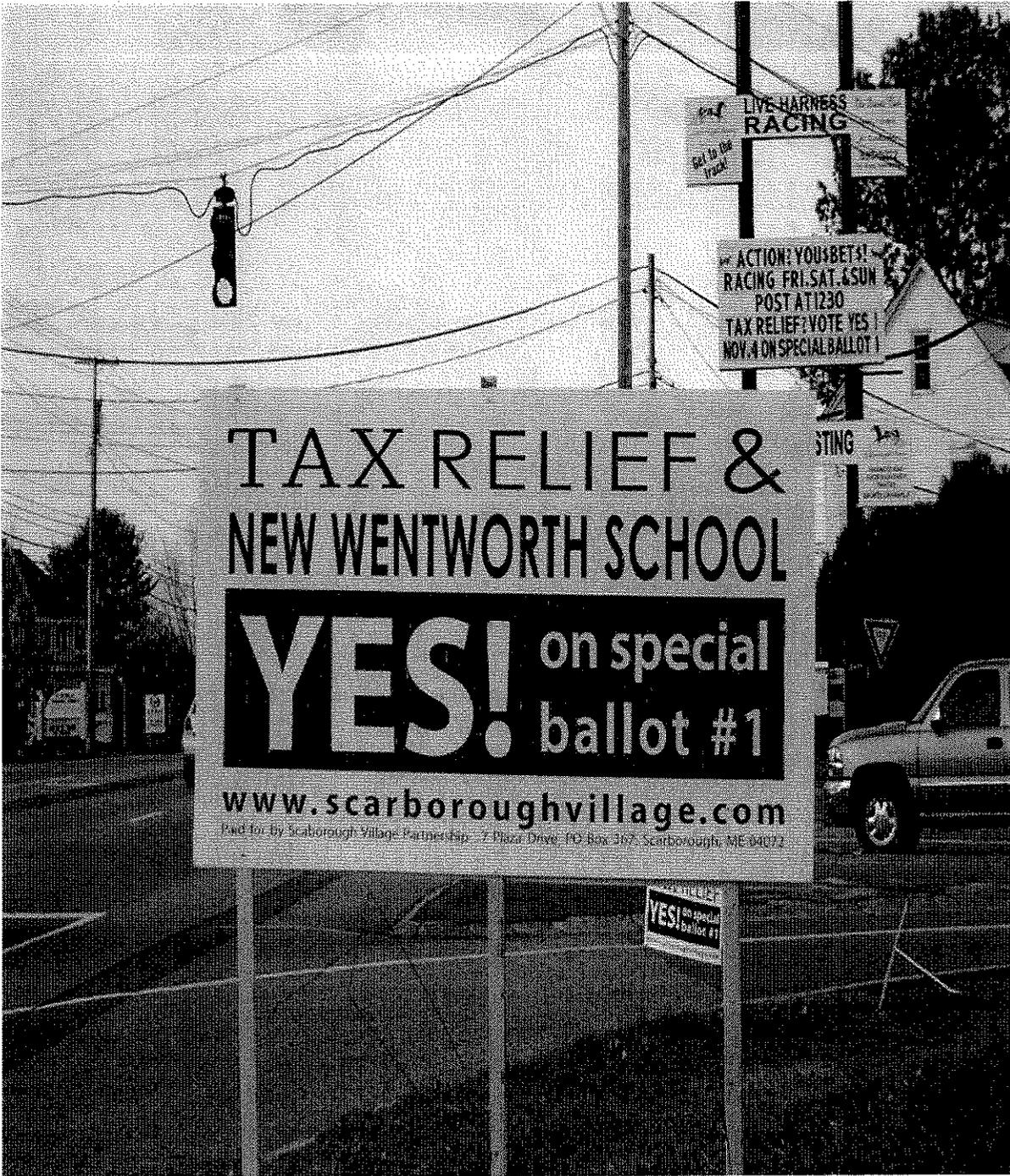
From: Savvy, Inc. [savvypr@me.com]
Sent: Friday, March 06, 2009 8:52 AM
To: Wayne, Jonathan
Subject: Fwd: Photos of Billboards

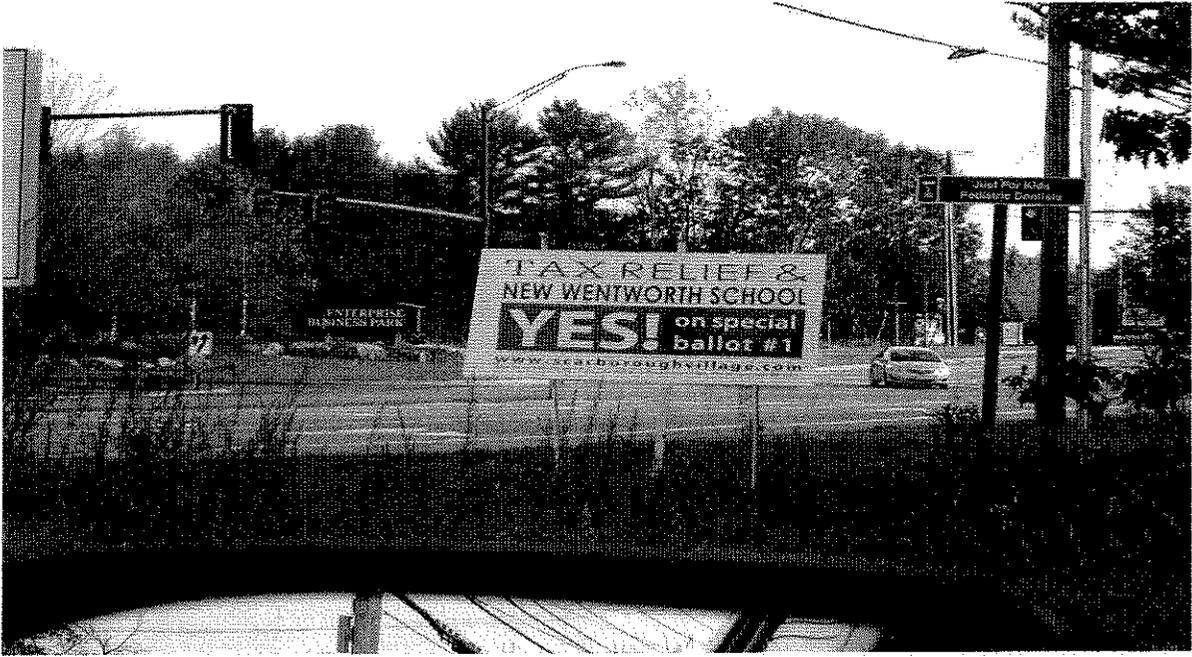
I promise, this is the last e-mail. These are three photos of the signs that Scarborough Village Partners placed around the town. Again, no mention of slots or gambling, no mention of Penn National. Only a website listed on the signs, but no way at this point for the public to know that Penn National was funding the campaign since their PAC registration was late. Nothing illegal, but it is all part of their strategy to deceive and hide their backers, which is really what this case is all about.

Thanks.

Dennis Bailey







THOMPSON, BULL, FUREY, BASS & MACCOLL, LLC, P.A.

COUNSELORS AT LAW

NICHOLAS BULL
MARK G. FUREY *
JOHN R. BASS, II
EDWARD S. MacCOLL
BRADFORD R. BOWMAN

* ALSO ADMITTED IN MA

120 EXCHANGE STREET
6th Floor
P.O. BOX 447
PORTLAND, MAINE 04112-0447

TELEPHONE (207) 774-7600
FACSIMILE (207) 772-1039
WWW.THOMPSONPORT.COM
info@thompsonport.com

BENJAMIN THOMPSON
RECEIVED
NATHAN W. THOMPSON
(1895-1969)
BENJAMIN THOMPSON
MAR 6 2009
(1921-2002)

MAINE ETHICS COMMISSION

March 6, 2009

Mr. Jonathan Wayne
Executive Director
Commission on Governmental Ethics
and Election Practices
135 State House Station
Augusta, Maine 04333-0135

Re: Scarborough Village Partnership

Dear Mr. Wayne:

Please accept this letter as my response to your letter of February 11, 2009 and in particular as my answer to the three questions posed in it. As I understand that you will share this letter with Commissioners and for ease of reference, I include the full text of each of your questions:

Question # 1: Could you please elaborate on the information in the October 16 e-mails, given the status of Penn National as the sole financial contributor to SVP PAC? Please provide any information that you believe would assist the Commission in evaluating Ms. Rolston's contention that SVP was open about Penn National's financial involvement in the ballot question.

The electronic mail exchange between Mr. Bailey and me on October 16 related to a commercial Mr. Bailey's group had run concerning the Scarborough referendum, which suggested that Mr. Bailey's group was trying to "save our town." The advertisement erroneously asserted that the proposed referendum would lead to filling acres of wetlands, would contribute to sprawl and had been written by a large out-of-state gaming entity. My sense from knowing Mr. Bailey for more than twenty years is that although he is given to mistaken speculation and hyperbole, he generally refrains from knowing falsehoods. For that reason, I reached out to Dennis and attempted to explain that his assertions were mistaken, and I offered to meet with him and to explain the facts in order to reduce confusion and avoid misinformation.

Mr. Jonathan Wayne
Executive Director
March 6, 2009
Page 2 of 3

In fact, for example, the proposed development was environmentally very sensitive and would have restored and reunited (rather than filled) a large wetland that had been divided by fill back in the 1940s when the track was built. Most significantly for current purposes, Penn National's involvement was indeed fully disclosed, as Ms. Rolston has explained. Penn's contributions paid the bills, but Penn National did not write the referendum, nor as I offered to explain to Mr. Bailey would Penn National have owned the right to operate the gaming business if the effort had succeeded. Penn National had a contractual obligation to fund the effort. Although the details of that agreement are confidential, the general provisions of the agreement have been a matter of public record; because the contract was to expire before the process could conceivably have concluded, Penn would have had (and will have) no rights or interest if Scarborough Downs ultimately secures a gaming license, absent some new agreement that is entirely within the Downs' discretion to grant or withhold. Even though the agreement was to expire before the process could possibly be completed, Penn acknowledged and met its obligation to provide funding. And its role was fully disclosed, both in the PAC filings and at public hearings in Scarborough.

Mr. Bailey declined my offer to meet and explain the foregoing. I note finally in that regard that although Mr. Bailey has provided you with some of the electronic correspondence we exchanged on October 16, he has omitted the ultimate electronic mail message by which at 7:00 p.m. that evening he declined to meet and learn the truth stating that such a meeting "might be awkward." A copy of that electronic mail message is attached hereto as Exhibit A.

Question # 2: Please provide any information you believe would be relevant to whether the PAC could have reasonably believed in August and September 2008 that no ballot question would be necessary because the Scarborough town council would act to permit slot machines at Scarborough Downs through amending the zoning law.

I do not know why the committee did not register during August 2008, when a referendum was proposed. I have no doubt, though, that the failure was entirely innocent, and I believe the committee's involvement was well understood, including by the council and the town clerk. Indeed, the committee registered immediately after the town clerk called and told me the committee had yet to register.

Question # 3: Please describe in general the services you performed in connection with the municipal referendum that were paid for by Scarborough Downs. Were these services coordinated with Ms. Rolston or the PAC, or were they performed independently of the PAC?

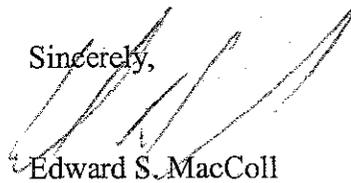
Mr. Bailey's submission to you mistakenly states that I told him I was paid to draft the referendum. Instead, I had told him that I was paid to know the nature of the contractual relationship with Penn. I had not and have not been paid for the services I provided the Downs

Mr. Jonathan Wayne
Executive Director
March 6, 2009
Page 3 of 3

related to the referendum, but only because I am just now getting out most of my bills for last year, including bills for work done for the Downs on a wide variety of matters.

Thank you for your interest in the matter, and please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward S. MacColl". The signature is written in a cursive style with several loops and is positioned above the printed name.

Edward S. MacColl

Edward MacColl

From: Dennis Bailey [dylan04101@mac.com]
Sent: Thursday, October 16, 2008 7:00 PM
To: Edward MacColl
Cc: Dennis Bailey
Subject: Re: RE: RE:

No I wouldn't call you a liar Ed. I'm just going by this document, and an MPR report that also said Penn was behind the referendum. No mention of Scarborough Downs.

Meeting might be awkward during the campaign. I'll let you buy me a drink when it's over though.

DB

Sent from my iPhone

On Oct 16, 2008, at 6:44 PM, Edward MacColl <emaccoll@thomport.com> wrote:

I'm not sure what you fell off, but you're given to making assumptions that are mistaken, albeit understandable. I'm sure you can not think of a single time I've lied to you or misled you. And what I'm telling you now is accurate.

If meeting might help, I'd explain the circumstance. But Sharon Terry and her family are the only individuals with any right to the fruits of success here. She pays me to know, and I do.

Ed

-----Original Message-----

From: Dennis Bailey [<mailto:savvypr@me.com>]
Sent: Thursday, October 16, 2008 6:34 PM
To: Edward MacColl
Subject: Re: RE:

Ed, please, cut the crap. I didn't just fall off the turnip truck.

Perhaps you should check the registration on file at the Scarborough town office for Scarborough Village Partners PAC, which I've conveniently enclosed, the outfit

behind the campaign for Question 1. Under "Primary Fundraisers and Decision Makers" I don't see Scarborough Downs listed. In fact, I don't see Scarborough Downs anywhere on this document.

Dennis

Wayne, Jonathan

From: krolstonpr@yahoo.com
Sent: Monday, March 16, 2009 2:59 PM
To: Wayne, Jonathan
Cc: Edward MacColl
Subject: [SpamFilter_ADV?] Response to Dennis Bailey/Casinos No submission
Attachments: Direct mail piece side 1.jpg; Direct mail piece side 2.jpg; Full page ad Scarborough Leader 10_31_08 top half.jpg; Full page ad Scarborough Leader 10_31_08 bottom half.jpg; Half page ad Forecaster 10_31_08.jpg

Dear Mr. Wayne,

I would like to respond to your email of March 5, 2009, and the comments submitted by Dennis Bailey.

This has been quite a long process for me, beginning with your letter of November 26, 2008 regarding possible procedural violations by Scarborough Village Partnership. As its self-appointed treasurer, I took and take these allegations very seriously.

It is my inclination to take the high road in all of my business and public affairs: to speak the truth, consider the facts, take responsibility, and accept fault where fault is mine.

I came to the committee hearing on January 29, 2009 ready to answer all questions to the best of my ability and to apologize for our Committee's failure to register in a timely manner, a fact I now understand and agree should have been accomplished in August.

It was never my intention to be dishonest or hide any aspect of the campaign, its backers, or our expenditures, nor did I ever do so.

I have spent nearly 20 years in the town of Scarborough, have relationships with its organizations and citizens, and have a deep respect for the harness racing industry. I have worked with representatives of Penn National Gaming at different times since 2003. They are honorable people and never have they asked me to engage in any style of deceit.

After becoming involved in the Scarborough Village Partnership, I did my best to educate myself as to the requirements of reporting its activities and I followed the advice and direction on filing subsequent PAC reports that I received from town and ethics commission officials.

Seeing one's name in newspaper articles alleging ethical improprieties is an experience I hope never to repeat. I had hoped that after the January committee hearing I would be able to put this matter behind me, and that I could begin to rebuild my professional reputation. I understand that the committee wishes to look closely at allegations and relevant information, and I appreciate the opportunity to respond.

I sense however, that Mr. Bailey is determined to pursue this issue with a personal agenda. Ironically, I believe Mr. Bailey erroneously accuses me and Scarborough Village Partnership of precisely the type of misleading and manipulative "disclosure" that he and Casinos No practiced during their campaign to defeat Maine harness racing and the Scarborough racino. During the campaign last fall, Mr. Bailey's reporting and his advertisements seemed questionable to me and others, but I did not feel it would benefit our campaign or the cause of our industry to make issue of it. Nevertheless I outline below what appeared and appear to me to have been misrepresentations by Mr. Bailey and Casinos No perhaps designed to make his high-priced, corporate-sponsored opposition to our effort appear instead to be the work of "local," "grass-roots" opponents concerned for the future of Scarborough.

At least theoretically these apparent inaccuracies could have been only inadvertent. If Mr. Bailey simply made mistakes, I hope he will pause and consider that sometimes hurling stones at other professionals is only hurtful.

Attached are scans of full-page and half-page color ads that appeared in the Scarborough Leader and Forecaster on

3/19/2009

October 31, 2008, and an 8.5 x 11-inch color, direct mail piece that was mailed to Scarborough residents in the last week of October. All these political materials are stamped as "Paid for by Save Our Scarborough," a local group that opposed the Scarborough racino, but which apparently never raised (or at least never reported) significant funding.

The half-page ad and the direct mail are replicas of a television spot that Casinos No ran in October, also attached, the content of which promises Scarborough residents unending traffic congestion, hundreds of acres of destroyed wetlands and questionable business practices if voters approve a "casino" in Scarborough.

From my experience with the local Scarborough newspapers and direct mail distributor, the half-page ad cost about \$500, the full page ad about \$1000, and the design, printing, and postage of the mailing piece cost approximately \$6,000. As these were political in nature, payment would have been expected with order.

I obtained copies of all the Save Our Scarborough PAC reports filed with the Scarborough clerk's office, and I include them as an attachment. In these reports, there seems to be no disclosure of the above expenditures. The Save Our Scarborough PAC report dated 10/23/08 indicates \$900 in cash donations on Schedule A, Cash Contributions Received. The report also includes a hand-written page outlining "In-Kind Donations." I include below a list of potentially relevant disclosures:

In-kind contributions: Donated by: Approximate dollar value:

Ads for TV and radio? (sic) Benefits us but not for us Reported by Casinos No

Field Organizer Casinos No 4 visits + time + mat Not yet billed Time donated

The 12/16/08 Save Our Scarborough PAC reports, which was submitted with the PAC's activity termination report, lists a \$8925 contribution of Joanne D'Archangelo for "organizational meeting Sept. 25, volunteer recruitment phone banks 10/4-7-14-22-28-29 coordination 9/25-11/4" in its Schedule C, In-kind contributions.

On the same report's Schedule B, contributions and expenditures, a notation under *Payee Name* lists "1/2 share of advertising in Current Publishing" in the amount of \$562.60. This amount is also indicated on Schedule B-1, operating expenses, but only as a total at the bottom of the page. The rest of Schedule B-1 is blank.

The beginning cash balance on Schedule F, summary section, is \$900.00, with \$150.00 in receipts for the period and \$427.80 total funds at the close of the reporting period and termination of the Save Our Scarborough PAC's activities.

So far as I can determine, no one ever reported payment of the other "half share" of "Current Publishing", and in fact no ad from Save Our Scarborough appeared during the campaign in *The Current*, a weekly newspaper serving the Scarborough area; and I can find no evidence that Save Our Scarborough reported the expenditure for the "There Goes the Neighborhood" direct mailer, Scarborough Leader full-page ad or Forecaster half-page ad.

It seems that Mr. Bailey and Casinos No paid for the mailer, and that they wanted residents to believe that it had instead been funded by the local group. There also appears to be no disclosure of monies received or payment made for print advertising for a full-page ad in The Scarborough Leader, although there is a notation in the Casinos No 12/16/08 PAC report on Schedule B-1, Operating Expenses, of \$480 paid to The Forecaster newspaper on 11/10/08. In all, I suspect that at least \$7,500 in expenditures that came from Mr. Bailey and his big corporate backers were made to appear to instead come from a group of concerned local citizens. This appears to be a violation of Title 21-A M.R.S.A., subsection 1060, Content of Reports, paragraphs 2, 3 and 4.

I have not found any Casinos No PAC registration disclosing its support of the Save Our Scarborough PAC. Title 21-A M.R.S.A. section 1053, paragraph 3 states that a PAC must inform the commission within 10 days of a change of statement of support or opposition via an amended registration form. I am unaware of an amended registration. Casinos No purchased a \$15,000 television schedule on the Time/Warner Cable system to run their specific Scarborough "casino" message. So far as I can determine, the cost associated with this schedule is not disclosed in any Casinos No PAC report.

I would like to respond to some of Mr. Bailey's submissions in his email to you of March 3, 2009. The passages below in bold italics are quotes from that submission.

And there was no mention anywhere that Penn National Gaming, the third largest publicly traded casino corporation in the country, was the sole financial backer of the campaign.

Mr. Bailey is simply mistaken. Our PAC registration and reports clearly disclose Penn National as the primary contributor.

It's also significant to note that when CasinosNO! issued a news release on Oct. 24th (enclosed) revealing for the first time that Penn was behind the campaign..

Again, Mr. Bailey is simply mistaken. The PAC registration, filed in September and all subsequent reports disclosed Penn National's involvement. Similarly, at the September 17 and 24 town council meeting regarding the slot zoning issue, Penn National's involvement was a topic of significant public comment. On October 14 Town Council Chairman Jeffrey Messer gave a 30-minute televised presentation on the pros and cons of the Scarborough Village proposal, including Penn National's role, and newspaper articles and letters to the editor were published prior to October 24 discussing the role of Penn National in the Scarborough racino campaign.

The bottom line is that voters in Scarborough were largely unaware until the very final weeks of the campaign that the campaign for a "Scarborough Village" was being entirely funded by a large out-of-state casino corporation... Their ads said "Paid for by Scarborough Village Partners.." But in this case, voters had no way of knowing the true entity behind Scarborough Village Partners.

I believe the shoe is precisely on the other foot. It is my belief that the Scarborough voters were unaware that the ads and mailing piece that were labeled as paid for by the local PAC were actually designed and paid for by a large, influential corporately funded statewide professional organization whose director derives his living fashioning anti-gaming campaigns primarily with funding from one very wealthy Maine family and corporation.

Mr. Bailey presents Casinos No as a "grassroots" organization, which is defined as of, pertaining to, or involving the common people, especially as contrasted with or separable from an elite. Yet its PAC reports reveal that of the \$578,000 cash contributions raised from April through November, less than 15% of these donations are from citizens and "grass-roots" origins. Eighty-five percent, or \$493,000, came from multi-million dollar Maine, out-of-state and global corporations. Of this amount, \$398,000 came from the LL Bean conglomerate, which earns over one billion dollars in annual sales in 150 different countries. The major backer of Casinos No operation, its "true identity," is not disclosed in any of the organization's anti-casino advertisements.

Penn National's support of the effort to create a racino was always understood and disclosed over the course of the campaign. In fact, Penn National's role was overstated by our opponents. As Mr. MacColl has explained, Penn was obligated by contract to fund the effort, but it would not have had any contractual right to operate or to otherwise benefit from the gaming facility if we had succeeded. The suggestion, in any event, that Penn's involvement was a secret that Mr. Bailey "revealed" is Mr. Bailey's own fantasy.

What's the point of campaign finance disclosure laws if voters are deprived of knowing who is really backing these campaigns until the final days of the campaign?

Campaign finance disclosure law requires reporting of activity during specific reporting periods. Casinos No 42-day Post - General report, filed on 12/16/08, discloses the source of nearly 40% of its total cash contributions, 90% of which is corporate money. On the other hand, our reporting was intended to be and I believe was accurate. And we disclosed from the outset that our funding came from Penn.

I would also urge you to look carefully at how much SVP paid for its signature gatherers..

Maine once had a law that made it illegal to pay circulators based on how many signatures they collected. In 1999 in the case *On Our Terms '97 PAC v. Secretary of State of Maine*, a federal judge ruled that this law was unconstitutional. Hence, there is nothing wrong with paying signature gatherers; and every dime spent was reported.

In summary, Mr. Wayne, I would like to say that I worked very hard on the Scarborough racino campaign and for the harness racing industry, which in my mind this issue was all about. It was a multi-faceted proposal, designed to appeal to the voters on many levels, and we strove to present it factually and maintain integrity and openness through our ads and public discourse. There is no part of the campaign that I would have presented differently even now, although I do wish that we had been better organized and more effective earlier. We had late support of the chairman of the town council, who was intimately attuned to all the facts and the entities involved, as well as other council members, town leaders, business owners, and many, many Scarborough residents. These people lent their names, likenesses and their own words to promote the aspects of the campaign that they believed in, whether it was for future lower taxes, support for the Maine harness racing industry, new town facilities, job creation, or tax revenue for the town. I'm proud of the campaign we ran.

I am not an expert in running a political action committee, and I do not hold myself out as such. The Scarborough Village Partnership PAC reports I prepared and filed with town officials were complete, honest and to the best of my ability, and Penn National's involvement was a disclosed and publically known fact.

Perhaps Mr. Bailey feels his organization's reports were also complete and accurate; perhaps he feels the information for which I searched in vein was correctly disclosed. I hope you or I will get a chance to ask him about these apparent discrepancies.

Thank you for this opportunity to respond to Mr. Bailey's mistaken and unfortunate attacks on me and the PAC I served.

Kathryn Rolston

Jonathan - I will send the PAC reports and TV ad attachments in a separate email as the files are too large to include here.

March 26, 2009

Jonathan Wayne
Maine Ethics Commission
135 State House Station
Augusta, Maine 04333

Dear Mr. Wayne and
Members of the Ethics Commission:

I am writing today in support of the staff recommendations in the matter of Scarborough Village Partnership PAC and in support of Kathryn Rolston in particular. I have known Ms. Rolston since my days as House Chair of the Joint Standing Committee on Agriculture. During my tenure in the Maine House we created the Maine Harness Racing Promotion Board. Kathryn was elected by the newly appointed board as its first chair and served in that capacity for several years. It was a job that required a lot of hours and no pay. Kathryn served with honesty and integrity and did a job that benefited all factions of a very divided harness racing industry.

Kathryn's expertise is in media not running referendum campaigns. If Dennis Bailey or Bob Tardy filed late or inaccurate reports we would expect the penalty to be substantial. It's our business to lobby and work to shape public policy. Kathryn is essentially a novice and I commend your staff for their ability to assess the situation and make a fair recommendation.

Sincerely,

Robert J. Tardy
P. O. Box 336
Newport, Maine 04953